



Delta College

**Audited Financial Statements
and Other Financial Information**

June 30, 2006

DELTA COLLEGE

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

JUNE 30, 2006

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Audited Financial Statements

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006**

The discussion and analysis of the financial statements of Delta College (the College) provides an overview of the College's financial activities for the years ended June 30, 2006, 2005 and 2004. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

Using this Report

These financial statements are prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. The financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Capital expenditures are capitalized on the Balance Sheet instead of recording as an expense, and depreciation is recorded.

Activities are reported as either operating or nonoperating in accordance with the GASB Statement No. 35. Charges for services are recorded as operating revenues. Essentially all other types of revenue, including state appropriations and property tax levies are nonoperating. A public community college's reliance on state funding and local property taxes will result in reporting an operating deficit.

This annual financial report complies with these requirements and includes this management's discussion and analysis, the report of independent auditors, the financial statements, notes to financial statements and supplemental information similar to commercial enterprises and private-sector institutions.

Over time, increases or decreases in net assets provide one indication of the financial health of an organization. To assess the overall health of the College, many other non-financial factors need also be considered such as trends in enrollment, condition of facilities, attention to workforce needs, success of graduates, and the strength of the faculty and staff.

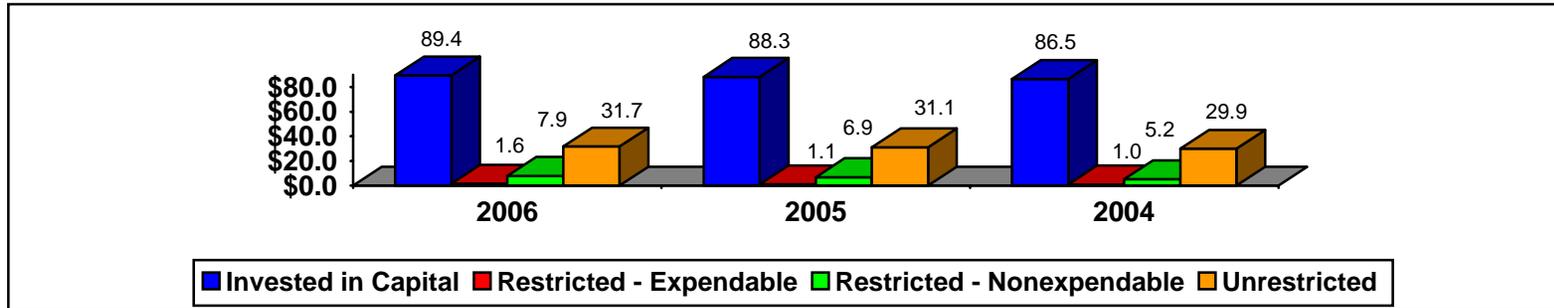
Financial Highlights

The College's financial position improved during both fiscal years ended June 30, 2006 and 2005. In 2006, the College's net assets increased \$3.2 million, or 3%, over the previous year; whereas 2005 increased \$4.8 million or 4%. The increases in both years were primarily attributable to capital investment in the College facilities through renovation projects and the related financing activities. Specifically, capital assets increased \$1.1 and \$1.8 million, respectively, for 2006 and 2005. Increases in both years were also partially attributable to endowment gifts, with increases in such nonexpendable assets of \$1.0 and \$1.7 million, respectively, for 2006 and 2005.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Financial Highlights - Continued

The following chart provides a graphical breakdown of net assets by category for the fiscal years ending June 30, 2006, 2005 and 2004, in millions:



Summary of Selected Financial Data

Following is a summary of the major components of the net assets of the College as of June 30, 2006, 2005 and 2004, in millions:

| | <u>2006</u> | <u>2005</u> | <u>2006-2005 Change</u> | <u>2004</u> | <u>2005-2004 Change</u> |
|---|-----------------|-----------------|-----------------------------|-----------------|-----------------------------|
| Current Assets | \$ 33.6 | \$ 32.5 | \$ 1.1 | \$ 27.3 | \$ 5.2 |
| Long-Term Assets: | | | | | |
| Capital Assets, Net of Depreciation | 89.4 | 88.3 | 1.1 | 86.5 | 1.8 |
| Other | 12.4 | 13.1 | (.7) | 16.5 | (3.4) |
| Total Assets | \$ 135.4 | \$ 133.9 | \$ 1.5 | \$ 130.3 | \$ 3.6 |
| Current Liabilities | \$ 4.8 | \$ 6.5 | \$ (1.7) | \$ 7.7 | \$ (1.2) |
| Net Assets: | | | | | |
| Invested in Capital Assets | 89.4 | 88.3 | 1.1 | 86.5 | 1.8 |
| Restricted – Expendable | 1.6 | 1.1 | .5 | 1.0 | .1 |
| Restricted – Nonexpendable | 7.9 | 6.9 | 1.0 | 5.2 | 1.7 |
| Unrestricted | 31.7 | 31.1 | .6 | 29.9 | 1.2 |
| Total Net Assets | 130.6 | 127.4 | 3.2 | 122.6 | 4.8 |
| Total Liabilities and Net Assets | \$ 135.4 | \$ 133.9 | \$ 1.5 | \$ 130.3 | \$ 3.6 |

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Summary of Selected Financial Data – Continued

During the year ended June 30, 2006, current assets increased \$1.1 million, primarily in liquid assets consisting of cash and short-term investments. Total pledges receivable, the majority relating to the WDCQ-TV Stations' digital conversion project capital campaign, decreased by \$900,000 as the fourth year of these five-year pledges came to a close. Combined with a \$1.1 million increase in capital assets and a decrease in liabilities of \$1.7 million, both primarily related to the completion of the J-Wing/East Courtyard facility renovation project, these changes resulted in the overall \$3.2 million increase in net assets.

During the year ended June 30, 2005, current assets increased \$5.2 million, primarily in liquid assets consisting of cash and short-term investments. Much of this increase was directly related to a corresponding decrease of approximately \$3.5 million in long-term investments in anticipation of continued rise in interest rates. These changes combined with a \$1.8 million increase in capital assets and a decrease in liabilities of \$1.2 million, both primarily related to the close-out of the College's Renovation II capital construction projects, reflected the overall \$4.8 million increase in net assets.

The following summarizes the major components of the College's operating results for the years ended June 30, 2006, 2005 and 2004, in millions:

| | 2006 | 2005 | 2006-2005 Change | 2004 | 2005-2004 Change |
|---|-------------|-------------|-----------------------------|-------------|-----------------------------|
| Operating Revenue | | | | | |
| Tuition and Fees | \$ 19.5 | \$ 19.5 | \$ 0 | \$ 19.6 | \$ (.1) |
| Grants and Contracts | 12.6 | 12.2 | .4 | 12.9 | (.7) |
| Public Broadcasting Gifts | .7 | .8 | (.1) | .8 | 0 |
| Auxiliary Services | 4.8 | 4.6 | .2 | 4.2 | .4 |
| Other | 2.9 | 2.7 | .2 | 2.8 | (.1) |
| Total Operating Revenue | <u>40.5</u> | <u>39.8</u> | <u>.7</u> | <u>40.3</u> | <u>(.5)</u> |
| Operating Expenses | | | | | |
| Instruction | 32.8 | 32.5 | .3 | 32.2 | .3 |
| Public Services | 2.8 | 2.7 | .1 | 3.5 | (.8) |
| Instructional Support | 6.8 | 6.3 | .5 | 6.0 | .3 |
| Student Services | 16.4 | 16.1 | .3 | 15.8 | .3 |
| Institutional Administration | 7.4 | 7.3 | .1 | 6.8 | .5 |
| Operation and Maintenance of Facilities | 6.9 | 6.1 | .8 | 7.0 | (.9) |
| Depreciation | 3.4 | 3.2 | .2 | 3.2 | 0 |
| Total Operating Expenses | <u>76.5</u> | <u>74.2</u> | <u>2.3</u> | <u>74.5</u> | <u>(.3)</u> |
| Operating Loss | (36.0) | (34.4) | (1.6) | (34.2) | (.2) |

(continued on next page)

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Summary of Selected Financial Data – Continued

(continued from previous page)

| | <u>2006</u> | <u>2005</u> | <u>2006-2005 Change</u> | <u>2004</u> | <u>2005-2004 Change</u> |
|-----------------------------------|-----------------|-----------------|-----------------------------|-----------------|-----------------------------|
| Nonoperating Revenues (Expenses) | | | | | |
| State Appropriations | \$ 13.0 | \$ 13.4 | \$ (.4) | \$ 12.8 | \$.6 |
| Property Taxes | 22.4 | 21.8 | .6 | 26.3 | (4.5) |
| Other | 2.6 | 2.8 | (.2) | 1.9 | .9 |
| Net Nonoperating Revenues | <u>38.0</u> | <u>38.0</u> | <u>0</u> | <u>41.0</u> | <u>(3.0)</u> |
| Other Revenue | | | | | |
| Capital Appropriations | 0 | .5 | (.5) | 6.2 | (5.7) |
| Capital Grants and Contracts | 0 | .1 | (.1) | .3 | (.2) |
| Additions to Permanent Endowments | 1.2 | .6 | .6 | .3 | .3 |
| Total Other Revenue | <u>1.2</u> | <u>1.2</u> | <u>0</u> | <u>6.8</u> | <u>(5.6)</u> |
| Increase in Net Assets | 3.2 | 4.8 | (1.6) | 13.6 | (8.8) |
| Net Assets – Beginning of Year | <u>127.4</u> | <u>122.6</u> | <u>4.8</u> | <u>109.0</u> | <u>13.6</u> |
| Net Assets – End of Year | <u>\$ 130.6</u> | <u>\$ 127.4</u> | <u>\$ 3.2</u> | <u>\$ 122.6</u> | <u>\$ 4.8</u> |

Operating Revenue

Operating revenue includes all transactions that result in the sales and/or receipts from providing goods and services such as tuition and fees and food service and bookstore operations. In addition, certain federal, state, and private gifts and grants are considered operating if they are not for capital purposes and are considered a contract for services or are program-specific.

Operating revenue changes are highlighted by the following factors for the year ended June 30, 2006:

- Academic tuition and fee rates were increased 5% and enrollment totaled 205,585 credit hours, an increase of 1.4%. For the year, 82% of academic credit hours were in-district and 18% out of district.
- Of the \$19.5 million in Tuition and Fees, which was offset by \$4.5 million in scholarship allowances, and \$12.6 million in Grants and Contracts operating revenue, Corporate Services provided administration, education and training of \$4.0 million and \$2.6 million, respectively. Corporate Services Tuition and Fee revenue decreased by 18%, resulting from the completion of the Saturn training contracts as of December 31, 2005. Conversely, Corporate Services Grants and Contracts revenue increased by 14%, primarily due to state-funded EDJT training grants.
- The Auxiliary services revenue consists primarily of sales in the Bookstore of \$4.5 million, which had offsetting scholarship allowances approximating \$1.1 million, Food Services of \$830,000, and Fitness & Recreation Center of \$410,000. Bookstore sales were consistent with 2005 levels, whereas Food Services and Fitness & Recreation Center increased by 9% and 21%, respectively.

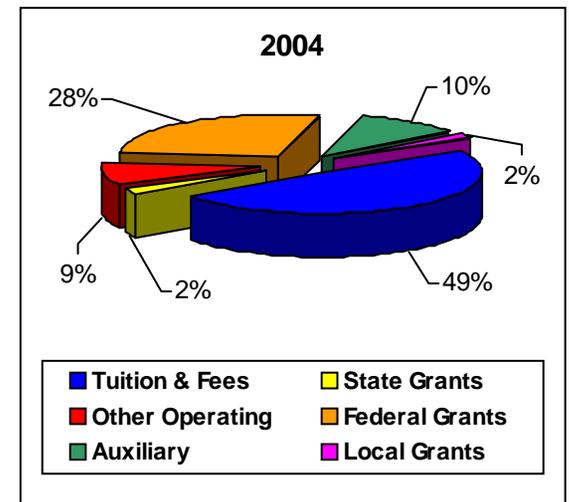
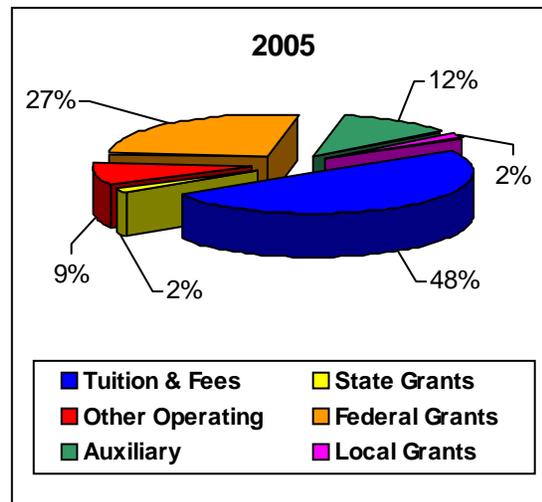
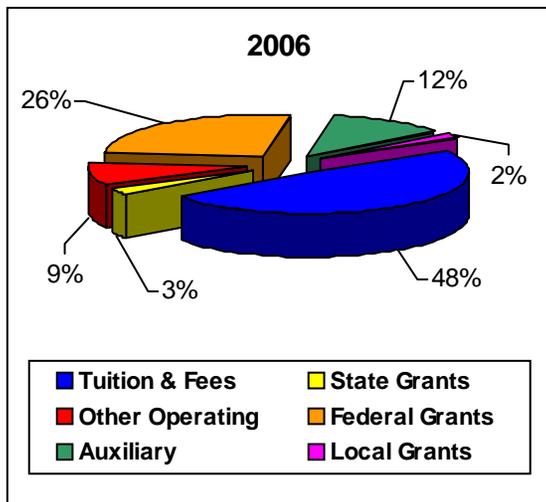
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Operating Revenue - Continued

Operating revenue changes are highlighted by the following factors for the year ended June 30, 2005:

- Academic tuition and fee rates were increased 5% and enrollment totaled 202,659 credit hours, an increase of 1.4%. For the year, 81% of academic credit hours were in-district and 19% out of district.
- Of the \$19.5 million in Tuition and Fees, which was offset by \$4.2 million in scholarship allowances, and \$12.2 million in Grants and Contracts operating revenue, Corporate Services provided administration, education and training of \$4.9 million and \$2.3 million, respectively, both representing declines from the previous year levels.
- The Auxiliary services revenue consists primarily of sales in the Bookstore of \$4.5 million, which had offsetting scholarship allowances approximating \$1.1 million, Food Services of \$760,000 and Fitness & Recreation Center of \$340,000, all which had increased over 2004 levels.

The following is a graphic illustration of operating revenues by source for the years ended June 30, 2006, 2005 and 2004:



Operating Expenses

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College.

Operating expense changes are highlighted by the following factors for the year ended June 30, 2006:

- General salary increases for the year approximated 4%. Medical insurance costs increased approximately 6% and required contributions to the Michigan Public School Employees' Retirement System increased by nearly 10% to a rate of 16.34% of eligible salary.
- Increases in Operation & Maintenance of Facilities expenses were primarily due to utility costs and non-capital furniture and equipment costs associated with the facility renovation projects that were completed during the year.

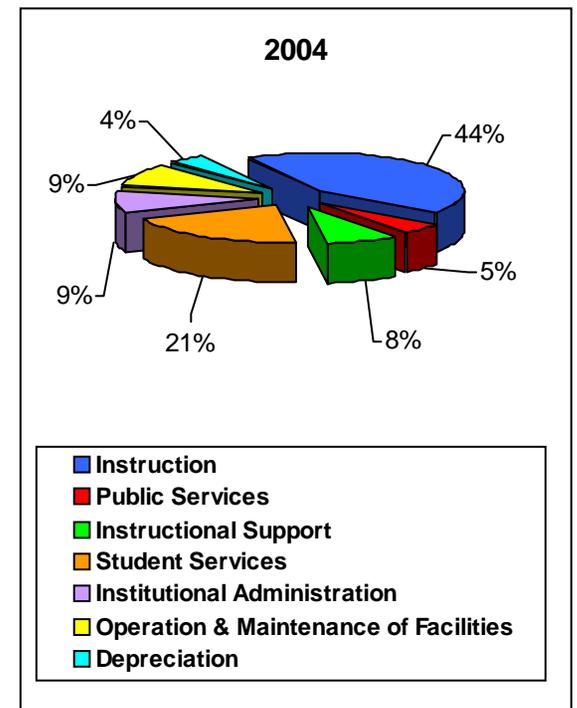
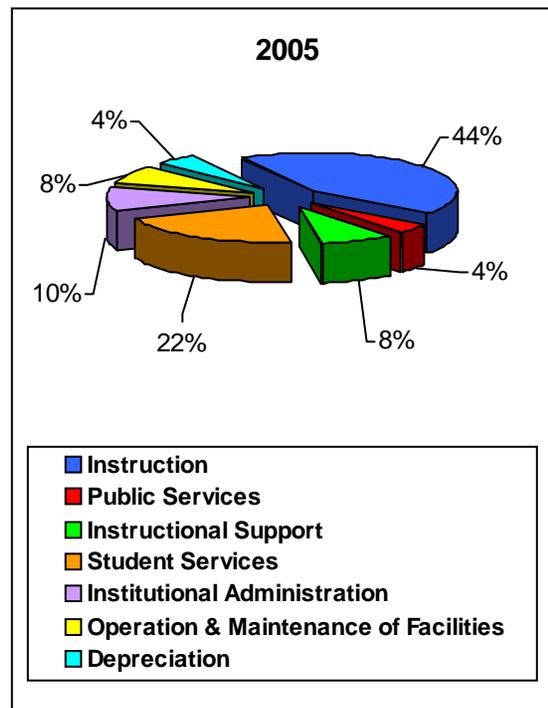
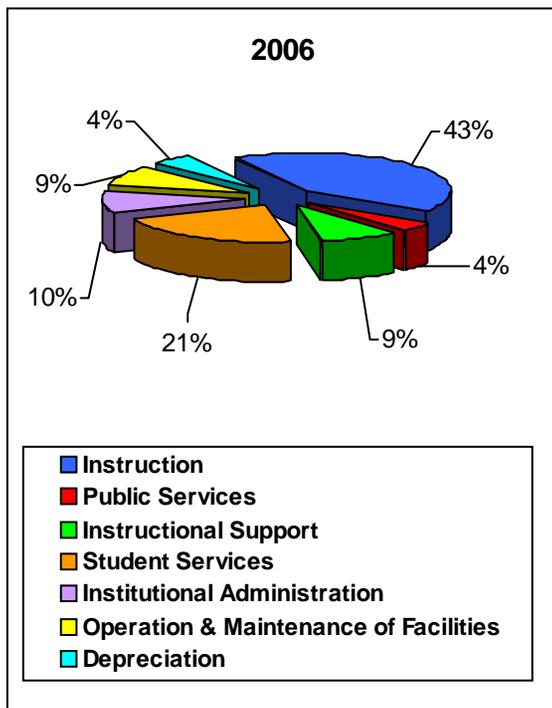
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Operating Expenses - Continued

Operating expense changes are highlighted by the following factors for the year ended June 30, 2005:

- General salary increases approximated 4% after the freeze in the previous year. Medical insurance costs increased approximately 8% after reductions in benefit design, and required contributions to the Michigan Public School Employees' Retirement System increased by nearly 15% to a rate of 14.87% of eligible salary.
- The above increases in expenditures were mitigated by reduced spending on capital maintenance in Public Services and Facilities as compared to fiscal year 2004 when the multi-year Digital Conversion and Renovation II Projects were substantially completed.

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2006, 2005 and 2004:



MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Nonoperating Revenues

Nonoperating revenues are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, investment income (including realized and unrealized gains and losses), gifts and grants, and contracts that do not require any services to be performed.

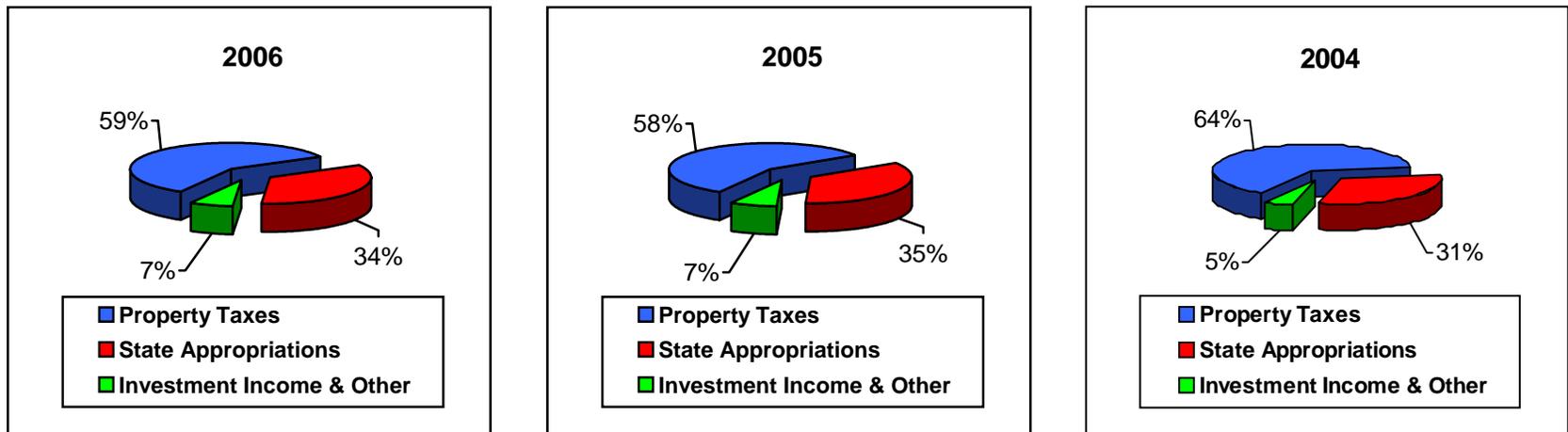
Nonoperating revenue changes are highlighted by the following factors for the year ended June 30, 2006:

- State appropriations were originally enacted at \$12.9 million, which approximated a 1% decrease from the prior year. This decrease was offset, however, by a Governors' Executive Order restoring the \$100,000 reduction from fiscal year 2005, thus resulting in total state aid revenue for 2006 of \$13.0 million.
- The taxable value of property within the district increased 3.0% for the year for a total levy of \$22.4 million at a rate of 2.0427 mills.
- Investment income, including earnings and gains in the market value of endowment assets, provided \$1.9 million in nonoperating revenue.
- New gifts to the College provided nonoperating revenue of \$900,000.

Nonoperating revenue changes are highlighted by the following factors for the year ended June 30, 2005:

- State appropriations were originally enacted at \$13.1 million, which approximated a \$300,000 increase over the prior year appropriations; however, Governor's Executive Orders issued during the year reduced the actual appropriations by \$100,000. The College also qualified for the tuition restraint incentive during fiscal year 2004 and thus received a supplemental appropriation from the State in the amount of \$400,000. These funds were reserved in the Plant Fund to assist in funding the continuing campus renovation projects as determined in accordance with the College's Five-Year Capital Outlay Master Plan.
- The taxable value of property within the district increased 3.3% for the year for a total levy of \$21.8 million. Fiscal year 2004 was the final year of a special three year .5 mill dedicated millage to fund the Renovation II capital project and without this special levy in fiscal year 2005, property tax collections in total were less than in 2004.
- New gifts to the College during the year provided \$1.7 million non-operating revenue.

The following is a graphic illustration of nonoperating revenues by source for the years ended June 30, 2006, 2005 and 2004:



MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Other Revenue

Other revenue consists of items that are typically nonrecurring, extraordinary, or unusual to the College. Examples would be state capital appropriations, additions to permanent endowments, and transfers from related entities.

Changes in other revenues are highlighted by the following factors for the year ended June 30, 2006:

- New gifts to the College during the year provided \$1.2 million in additions to permanent endowments.

Changes in other revenues are highlighted by the following factors for the year ended June 30, 2005:

- In the final year of the Renovation II capital project, the College recognized state capital appropriations of \$472,000.
- New gifts to the College during the year provided \$601,000 in additions to permanent endowments.

Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- The ability to generate future net cash flows
- The ability to meet obligations as they come due
- Needs for external financing

The following summarizes the major cash flow components for the College for the years ended June 30, 2006, 2005 and 2004, in millions:

| | 2006 | 2005 | 2006-2005 Change | 2004 | 2005-2004 Change |
|--|---------------|---------------|-----------------------------|----------------|-----------------------------|
| Cash Provided by (Used in): | | | | | |
| Operating Activities | \$ (35.6) | \$ (32.2) | \$ (3.4) | \$ (29.3) | \$ (2.9) |
| Noncapital Financing Activities | 38.1 | 36.7 | 1.4 | 40.3 | (3.6) |
| Capital and Related Financing Activities | (3.4) | (3.9) | .5 | (3.6) | (.3) |
| Investing Activities | (1.4) | (4.9) | 3.5 | (7.1) | 2.2 |
| Net Increase (Decrease) in Cash | (2.3) | (4.3) | 2.0 | .3 | (4.6) |
| Cash – Beginning of Year | 8.1 | 12.4 | (4.3) | 12.1 | .3 |
| Cash – End of Year | <u>\$ 5.8</u> | <u>\$ 8.1</u> | <u>\$ (2.3)</u> | <u>\$ 12.4</u> | <u>\$ (4.3)</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Statement of Cash Flows - Continued

Cash and cash equivalents decreased by \$2.3 million during the year ended June 30, 2006, primarily due to increases in payments to suppliers and employees, respectively, at \$1.2 million and \$1.9 million, both related to general cost increases. Payments to suppliers were also somewhat higher due to purchase of noncapital furniture and equipment related to completion of the J-Wing/East Courtyard facility renovation project. These increased outflows were partially offset by increases in cash from noncapital gifts and contributions of \$1.1 million.

The College realized a \$4.3 million decrease in cash during the year ended June 30, 2005, with the majority relating to a \$4.4 million decrease in local property taxes due to the prior year completion of a .5 mill three-year renovation levy that was dedicated to the Renovation II capital projects.

Capital Assets

At June 30, 2006, the College had \$89.4 million, net of accumulated depreciation of \$32.6 million, invested in capital assets. Depreciation charges for the year totaled \$3.4million. Details of these assets, shown net of accumulated depreciation, as of June 30, 2006, 2005 and 2004 are as follows:

| | <u>2006</u> | <u>2005</u> | <u>2006-2005</u> <u>Change</u> | <u>2004</u> | <u>2005-2004</u> <u>Change</u> |
|--------------------------|----------------|----------------|-----------------------------------|----------------|-----------------------------------|
| Land and Improvements | \$ 3.9 | \$ 2.4 | \$ 1.5 | \$ 2.5 | \$ (.1) |
| Infrastructure | 2.8 | 2.0 | .8 | 2.2 | (.2) |
| Buildings | 79.0 | 76.9 | 2.1 | 77.3 | (.4) |
| Furniture and Equipment | 3.5 | 3.6 | (.1) | 3.8 | (.2) |
| Construction in Progress | .2 | 3.4 | (3.2) | .7 | 2.7 |
| Totals | <u>\$ 89.4</u> | <u>\$ 88.3</u> | <u>\$ 1.1</u> | <u>\$ 86.5</u> | <u>\$ 1.8</u> |

In accordance with the College's Five-Year Capital Outlay Master Plan, the College began the \$5.8 million J-Wing/East Courtyard facility renovation project during the year ended June 30, 2005. This project included renovations to the existing H-wing, J-wing and East Courtyard to enhance and create twelve general classrooms and computer training laboratories and to re-design instructional support centers and general faculty offices. This project was funded entirely by institutional resources, including allocations from accumulated Plant Fund reserves, and was completed during the year ended June 30, 2006.

The College substantially completed the Renovation II capital project during the year ended June 30, 2004. This project included a new Automotive and Technical Trades Center, a renovated Fitness, Recreation and Aquatics Center, and renovations to existing classroom buildings, offices, Lecture Theater and auxiliary and general service support areas. Of the \$45 million project cost, the State of Michigan funded \$17.8 million and the College the remaining \$27.2 million through a special 3-year .5 mill voter approved property tax levy and reserved operating funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

Debt

The College has no debt.

Economic Factors That Will Affect The Future

The economic position of the College is closely tied to that of the State of Michigan. Following several years of decreases, the upcoming fiscal year 2006-2007 base state appropriations have been modestly increased by \$390,000, or 3%. Strong fiscal constraints have allowed the College to keep tuition and fees as low as possible with an in-district rate increase of 5% for fiscal year 2006-2007. Excess contact hour course fees have also been increased for the second year of a two-year phase-in for purposes of funding the cost of implementing the faculty load equity plan, in which the ratio of lab to lecture classroom hours were increased from .8:1 to 1:1 to match national trends. In addition to national concerns of rising medical costs, state mandated contributions to fund the medical component of the state pension fund is of growing concern to public schools and colleges in the State of Michigan. State mandated pension contribution rates for fiscal year 2006-2007 were established at 17.74% of eligible payroll, a 9% increase up from 16.34%, and are expected to equal 20% by fiscal year 2007-2008.

Local support of the College remains strong in enrollment levels and a relatively stable property tax base. Current financial plans and recent capital investments have strategically prepared the College to pursue the following Mission & Vision, as recently updated:

MISSION: Delta College is a responsive, dynamic community college. We educate, inspire, challenge and support a diverse community of learners to achieve academic, professional and personal excellence.

VISION: Delta College is our communities' first choice to learn, work and grow.

State fiscal problems will likely continue for some years. The College is prepared to face the significant challenge of meeting operating costs and serving an increased demand for services. The College will continue to provide excellent learning opportunities and great value for the educational dollar to create positive futures for the students and communities it serves.



ANDREWS HOOPER & PAVLIK P.L.C.
Certified Public Accountants

Report of Independent Auditors

Board of Trustees
Delta College

We have audited the accompanying financial statements of Delta College (the College) as of and for the years ended June 30, 2006 and 2005. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta College as of June 30, 2006 and 2005 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2006 on our consideration of Delta College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis (MD&A) on pages 1 to 10 is not a required part of the financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Delta College financial statements. The other supplemental information as identified in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, if fairly presented in all material respects in relation to the financial statements taken as a whole.

Andrews Hooper & Pavlik P.L.C.

Saginaw, Michigan
October 6, 2006

**BALANCE SHEETS
DELTA COLLEGE**

| | JUNE 30, | |
|--|-----------------------|-----------------------|
| | 2006 | 2005 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents (Note 2) | \$ 5,797,667 | \$ 8,057,893 |
| Short-term investments (Note 2) | 19,226,890 | 15,673,729 |
| Property taxes receivable | 60,687 | 62,414 |
| State appropriations receivable | 2,348,562 | 3,071,783 |
| Federal and state grants receivable | 1,245,798 | 1,196,501 |
| Accounts receivable, net of allowance of \$1,232,952 in 2006 and \$1,053,601 in 2005 | 1,967,735 | 1,596,021 |
| Pledges receivable (Note 3) | 740,238 | 1,116,413 |
| Inventories | 1,249,913 | 1,165,942 |
| Prepaid expenses and other assets | <u>984,532</u> | <u>572,196</u> |
| TOTAL CURRENT ASSETS | 33,622,022 | 32,512,892 |
| LONG-TERM INVESTMENTS (Note 2) | 11,784,776 | 12,089,983 |
| LONG-TERM PLEDGES RECEIVABLE (Note 3) | 547,306 | 1,087,735 |
| CAPITAL ASSETS (Note 4) | <u>89,443,469</u> | <u>88,296,495</u> |
| TOTAL ASSETS | <u>\$ 135,397,573</u> | <u>\$ 133,987,105</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 1,503,384 | \$ 2,566,340 |
| Accrued payroll and other compensation | 2,605,912 | 3,369,025 |
| Unearned revenue | <u>654,565</u> | <u>602,028</u> |
| TOTAL CURRENT LIABILITIES | 4,763,861 | 6,537,393 |
| NET ASSETS | | |
| Invested in capital assets | 89,443,469 | 88,296,495 |
| Restricted for: | | |
| Nonexpendable endowments | 7,924,690 | 6,978,880 |
| Expendable scholarships and awards | 725,663 | 519,592 |
| Instructional department uses | 269,024 | 166,998 |
| Public radio broadcasting activities | 100,167 | 134,013 |
| Other restricted uses | 480,244 | 281,202 |
| Unrestricted (Note 1) | <u>31,690,455</u> | <u>31,072,532</u> |
| TOTAL NET ASSETS | <u>130,633,712</u> | <u>127,449,712</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 135,397,573</u> | <u>\$ 133,987,105</u> |

The accompanying notes are an integral part of these statements.

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
DELTA COLLEGE**

| | YEAR ENDED JUNE 30, | |
|---|------------------------------|------------------------------|
| | 2006 | 2005 |
| OPERATING REVENUE | | |
| Tuition and fees, net of scholarship allowance of \$4,482,816 in 2006 and \$4,230,847 in 2005 | \$ 19,479,615 | \$ 19,443,150 |
| Federal grants and contracts | 10,639,416 | 10,720,825 |
| State grants and contracts | 1,137,916 | 703,167 |
| Local and nongovernmental grants and contracts | 793,171 | 769,088 |
| Public broadcasting gifts | 731,533 | 784,668 |
| Auxiliary activities, net of scholarship allowance of \$1,055,994 in 2006 and \$1,062,644 in 2005 | 4,792,653 | 4,594,141 |
| Miscellaneous | <u>2,887,248</u> | <u>2,741,014</u> |
| TOTAL OPERATING REVENUE | 40,461,552 | 39,756,053 |
| OPERATING EXPENSES | | |
| Instruction | 32,744,757 | 32,497,431 |
| Public services | 2,839,619 | 2,675,668 |
| Instructional support | 6,765,127 | 6,287,477 |
| Student services | 16,367,946 | 16,140,781 |
| Institutional administration | 7,444,431 | 7,297,941 |
| Operation and maintenance of facilities | 6,921,211 | 6,090,527 |
| Depreciation expense | 3,398,628 | 3,196,601 |
| Fundraising expenses | 23,919 | 2,818 |
| Other expenses | <u>1,084</u> | <u>777</u> |
| TOTAL OPERATING EXPENSES | <u>76,506,722</u> | <u>74,190,021</u> |
| OPERATING LOSS | (36,045,170) | (34,433,968) |
| NONOPERATING REVENUES (EXPENSES) | | |
| State appropriations | 13,021,000 | 13,444,300 |
| Property tax levy | 22,414,367 | 21,777,189 |
| Gifts | 936,965 | 1,739,553 |
| Special events, net of expenses of \$93,502 in 2006 and \$90,848 in 2005 | 149,457 | 137,964 |
| Investment income, net of investment expense of \$83,770 in 2006 and \$74,804 in 2005 | 1,868,200 | 1,050,233 |
| Loss on disposition of capital assets | (275,675) | (60,515) |
| Foundation grants and distributions to or for Delta College | <u>(74,035)</u> | <u>(62,034)</u> |
| NET NONOPERATING REVENUES | <u>38,040,279</u> | <u>38,026,690</u> |
| NET INCOME BEFORE OTHER REVENUE | 1,995,109 | 3,592,722 |
| OTHER REVENUE | | |
| State capital appropriations | - | 472,073 |
| Capital gifts and grants | - | 157,459 |
| Additions to permanent endowments | <u>1,188,891</u> | <u>600,934</u> |
| TOTAL OTHER REVENUE | <u>1,188,891</u> | <u>1,230,466</u> |
| NET INCREASE IN NET ASSETS | 3,184,000 | 4,823,188 |
| NET ASSETS - BEGINNING OF YEAR | <u>127,449,712</u> | <u>122,626,524</u> |
| NET ASSETS - END OF YEAR | <u>\$ 130,633,712</u> | <u>\$ 127,449,712</u> |

The accompanying notes are an integral part of these statements.

**STATEMENTS OF CASH FLOWS
DELTA COLLEGE**

| | YEAR ENDED JUNE 30, | |
|---|----------------------------|---------------------|
| | 2006 | 2005 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 19,583,536 | \$ 19,628,015 |
| Grants and contracts | 12,481,970 | 12,463,132 |
| Public broadcasting gifts | 731,533 | 784,668 |
| Payments to suppliers | (36,074,535) | (34,855,489) |
| Payments to employees | (39,393,822) | (37,469,866) |
| Loans issued to students | (112,231) | (125,099) |
| Collection of loans from students | 120,031 | 129,628 |
| Auxiliary enterprise charges | 4,278,252 | 4,516,654 |
| Other | <u>2,830,637</u> | <u>2,746,316</u> |
| NET CASH USED IN OPERATING ACTIVITIES | (35,554,629) | (32,182,041) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 12,959,100 | 13,435,669 |
| Local property taxes | 22,416,094 | 21,815,781 |
| Gifts and contributions for other than capital purposes | 2,398,481 | 1,260,868 |
| Foundation special events receipts | 149,457 | 137,964 |
| Foundation grants and distributions to or for Delta College | (74,035) | (62,034) |
| Student organization and other agency transactions | <u>291,374</u> | <u>30,653</u> |
| NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES | 38,140,471 | 36,618,901 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| State capital appropriations | 785,121 | 431,841 |
| Capital grant and gift proceeds | 643,979 | 791,690 |
| Purchase of capital assets | (4,929,825) | (5,108,358) |
| Proceeds from disposition of capital assets | <u>108,548</u> | <u>17,647</u> |
| NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES | (3,392,177) | (3,867,180) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 30,566,269 | 19,382,195 |
| Investment income | 1,192,210 | 864,415 |
| Purchase of investments | <u>(33,212,370)</u> | <u>(25,126,101)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | (1,453,891) | (4,879,491) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (2,260,226) | (4,309,811) |
| CASH AND CASH EQUIVALENTS - Beginning of year | <u>8,057,893</u> | <u>12,367,704</u> |
| CASH AND CASH EQUIVALENTS - End of year | <u>\$ 5,797,667</u> | <u>\$ 8,057,893</u> |

The accompanying notes are an integral part of these statements.

STATEMENTS OF CASH FLOWS (Continued)
DELTA COLLEGE

| | YEAR ENDED JUNE 30, | |
|--|------------------------|------------------------|
| | 2006 | 2005 |
| RECONCILIATION OF OPERATING LOSS TO | | |
| NET CASH USED IN OPERATING ACTIVITIES: | | |
| Operating loss | \$ (36,045,170) | \$ (34,433,968) |
| Adjustment to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation | 3,398,628 | 3,196,601 |
| Allowance for uncollectible accounts | 179,351 | 107,583 |
| (Increase) decrease in assets: | | |
| Federal and state grants receivable | (49,297) | 256,691 |
| Accounts receivable | (551,065) | 139,549 |
| Inventories | (83,971) | (102,597) |
| Prepaid assets and other current assets | (338,201) | (143,036) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (1,354,328) | (1,334,928) |
| Accrued payroll and other compensation | (763,113) | 141,042 |
| Unearned tuition and fees | 52,537 | (8,978) |
| NET CASH USED IN OPERATING ACTIVITIES | \$ (35,554,629) | \$ (32,182,041) |

The accompanying notes are an integral part of these statements.

**NOTES TO FINANCIAL STATEMENTS
DELTA COLLEGE
JUNE 30, 2006**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Delta College is a Michigan community college whose financial statements have been prepared in accordance with the generally accepted accounting principles as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, and the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*.

The College reports as a Business Type Activity, as defined by GASB Statement No. 35. Business Type Activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The accompanying financial statements have been prepared in accordance with criteria established by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the Delta College Foundation discussed in Note 11 is included in the College’s reporting entity.

Significant accounting policies followed by Delta College are described below to enhance the usefulness of the financial statements to the reader:

Accrual Basis

The financial statements of Delta College have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met. In accordance with GASB Statement No. 20, the College is required to follow all applicable GASB pronouncements. In addition, the College should apply all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The College has elected not to apply FASB pronouncements issued after November 30, 1989.

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less.

Investments

Investments are recorded at fair value, based on quoted market prices.

Inventories

Inventories are stated at the lower of cost or market using the first-in, first-out method.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets

Capital assets are recorded at cost or, if acquired by gift, at the fair market value as of the date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on property and equipment using the straight-line method over the estimated useful lives of the assets. *The American Health Association's Estimated Useful Lives of Depreciable Hospital Assets* was utilized as a guide in establishing useful lives of the College's property and equipment.

Revenue Recognition

State appropriations for operations are recognized as revenue on a proportionate basis over the period for which they are appropriated (see Note 5). Restricted Fund revenues are recognized only to the extent expended. Revenues received prior to year-end that are related to the next fiscal year are recorded as unearned revenues. As of June 30, 2006 and 2005, unearned tuition and fee revenue for the summer semester, which begins in July and ends in August, was \$583,744 and \$483,749, respectively.

Gifts and Pledges

Gifts are recorded when received. Voluntary nonexchange transactions (pledges) are recognized in accordance with the GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded at their discounted present value, net of allowance for uncollectible pledges.

Internal Service Activities

Revenue and expenses related to internal service activities approximating \$814,000 and \$779,000 for 2006 and 2005, respectively, have been eliminated. These activities include the College's bookstore, food service, fitness and recreation center, printing and copy services, vehicles, farmhouse, and planetarium gift shop and conference services.

Compensated Absences

Compensated absences represent the accumulated liability to be paid under the College's current vacation policy. Under the College's policy, employees accrue vacation on a bi-weekly basis at a rate that is dependent on the employee's pay class.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Unrestricted Net Assets

As of June 30, 2006 and 2005, the College has designated the use of unrestricted net assets as follows:

| | <u>2006</u> | <u>2005</u> |
|--|----------------------|----------------------|
| Designated for potential contingency in state appropriations | \$ 2,348,562 | \$ 2,286,662 |
| Designated for Corporate Service activities | 293,769 | 184,715 |
| Designated for property tax appeal | 9,327,438 | 8,313,438 |
| Designated for future capital outlay | 10,065,584 | 10,991,940 |
| Designated for funds functioning as endowments | 3,172,692 | 2,939,340 |
| Designated for College student loan program | 284,538 | 270,475 |
| Other designated fund activities | 1,743,958 | 2,078,695 |
| Unrestricted and unallocated | <u>4,453,914</u> | <u>4,007,267</u> |
| Total Unrestricted Net Assets | <u>\$ 31,690,455</u> | <u>\$ 31,072,532</u> |

NOTE 2. CASH AND INVESTMENTS

The College considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The College considers all investments maturing within one year or less as of the balance sheet date to be short-term. The College's deposits and investments are included on the balance sheet at June 30, 2006 and 2005 under the following classifications:

| | <u>2006</u> | <u>2005</u> |
|---------------------------|----------------------|----------------------|
| Cash and cash equivalents | \$ 5,797,667 | \$ 8,057,893 |
| Short-term investments | 19,226,890 | 15,673,729 |
| Long-term investments | <u>11,784,776</u> | <u>12,089,983</u> |
| Total | <u>\$ 36,809,333</u> | <u>\$ 35,821,605</u> |

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 2. CASH AND INVESTMENTS – Continued

The amounts in the previous chart are classified in the following categories:

| | 2006 | 2005 |
|---|---------------|---------------|
| Bank deposits (checking accounts, savings accounts and certificates of deposit) | \$ 16,566,360 | \$ 23,194,853 |
| Investments in securities and similar instruments | 20,202,158 | 12,588,666 |
| Petty cash and cash on hand | 40,815 | 38,086 |
| Total | \$ 36,809,333 | \$ 35,821,605 |

Bank Deposits

The above deposits at June 30, 2006 and 2005 were reflected in the accounts of the bank (without recognition of checks written but not cleared, or of deposits in transit) at \$17,727,425 and \$24,530,900, respectively. Of these bank deposits, \$1,000,000 and \$733,565, respectively, was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The College believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the College evaluates each financial institution within which it deposits College funds and assesses the level of risk of each. Only those institutions with an acceptable estimated risk level are used as depositories.

Investments-Excluding Endowment Fund Investments

Credit Risk – Credit Risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations. The College’s policy for reducing credit risk is to invest surplus funds, excluding Endowment Fund monies, in accordance with the provisions set forth in Michigan Public Act 331 of 1996, as amended through 1997. This Act allows the College to invest in: bonds, bills or notes of the United States or its agencies; obligations of the State of Michigan; corporate commercial paper rated prime by at least one of the standard rating services; bankers acceptances issued by and certificates of deposit of financial institutions which are members of the Federal Deposit Insurance Corporation; mutual funds and investment pools that are composed of authorized investment instruments; and certain repurchase agreements. The College does not have a formal investment policy further limiting its investment options. Endowment Fund investments are subject to a separate investment policy which is discussed in detail later in this footnote.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal policy limiting investment maturities; however, the College manages its exposure to interest rate risk by generally limiting investment maturities to less than three years.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 2. CASH AND INVESTMENTS – Continued

The following tables present the investments and maturities that the College held at June 30, 2006 and 2005 (excluding the Endowment Fund):

| Investment Type | S&P Quality Ratings | June 30, 2006 | By Maturity | | |
|--------------------------|---------------------|----------------------|----------------------|-------------|---------------------|
| | | Fair Market Value | Less Than One Year | 1-3 Years | More Than 3 Years |
| Certificates of Deposit | N/A | \$ 11,312,101 | \$ 11,312,101 | \$ - | \$ - |
| U.S. Agency Securities | AAA | 6,935,502 | 4,966,900 | - | 1,968,602 |
| Commercial Paper | A1+/P1 | 2,947,889 | 2,947,889 | - | - |
| Total Investments | | \$ 21,195,492 | \$ 19,226,890 | \$ - | \$ 1,968,602 |

| Investment Type | S&P Quality Ratings | June 30, 2005 | By Maturity | | |
|--------------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
| | | Fair Market Value | Less Than One Year | 1-3 Years | More Than 3 Years |
| Certificates of Deposit | N/A | \$ 15,673,729 | \$ 15,673,729 | \$ - | \$ - |
| U.S. Agency Securities | AAA | 3,977,400 | - | 1,976,400 | 2,001,000 |
| Total Investments | | \$ 19,651,129 | \$ 15,673,729 | \$ 1,976,400 | \$ 2,001,000 |

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 2. CASH AND INVESTMENTS – Continued

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the organization’s investment in a single issuer. The College does not have a policy limiting the amount the College is allowed to invest in any one issuer; however, the College evaluates each issuer within which it invests College funds with and assesses the level of risk of each. The College invests with only those issuers with an acceptable estimated risk level.

The College’s investments at June 30, 2006 and 2005 were invested as follows (excluding the Endowment Fund):

| Issuer | Investment Type | June 30, 2006 | | June 30, 2005 | |
|--------------------------------------|------------------------|----------------------|---------------------|----------------------|---------------------|
| | | Fair Market Value | Percentage of Total | Fair Market Value | Percentage of Total |
| Federal Home Loan Bank | Bonds | \$ 2,991,700 | 14% | \$ - | - |
| Federal National Mortgage Assn. | Notes | 3,943,802 | 18% | 3,977,400 | 20% |
| Citigroup Funding Inc. | Commercial Paper | 992,689 | 5% | - | - |
| General Electric Capital Corporation | Commercial Paper | 977,553 | 5% | - | - |
| Toyota Motor Credit Corporation | Commercial Paper | 977,647 | 5% | - | - |
| Ann Arbor Commerce Bank | Certificate of Deposit | 1,582,010 | 7% | 4,569,589 | 23% |
| Capitol National Bank | Certificate of Deposit | 1,049,616 | 5% | 2,025,108 | 11% |
| Citizen's Bank | Certificate of Deposit | 2,000,000 | 9% | - | - |
| Fifth Third Bank | Certificate of Deposit | 2,061,546 | 10% | - | - |
| Independent Bank | Certificate of Deposit | 1,000,000 | 5% | 5,124,305 | 26% |
| Standard Federal Bank | Certificate of Deposit | - | - | 1,010,295 | 5% |
| Wolverine Bank | Certificate of Deposit | 3,618,929 | 17% | 2,944,432 | 15% |
| Total Investments | | <u>\$ 21,195,492</u> | <u>100%</u> | <u>\$ 19,651,129</u> | <u>100%</u> |

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the College will not be able to recover the value of the investments that are in the possession of an outside party. The College does not have a formal policy addressing custodial credit risk; however, all of the College’s investments are issued in the name of the College. Custody of the College’s certificates of deposit remains with the financial institutions from which they were purchased, while the FNMA notes, FHLB bonds and commercial paper are held in safekeeping by National City Bank.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 2. CASH AND INVESTMENTS – Continued

Endowment Fund Investments

Credit Risk – The College has attempted to mitigate credit risk associated with Delta College Endowment Fund (The Fund) investments by contracting with Smith Barney (a division of Citigroup Global Markets Inc.) to manage the investments of The Fund. The College has established a formal investment and distribution policy that Smith Barney must adhere to in their management of the Endowment Fund. The investment and distribution policies of the Endowment Fund, as well as the investment returns, are established, monitored and evaluated by the College's Investment Advisory Committee, which reports directly to the Board of Trustees.

The Delta College Endowment Fund Investment and Distribution Policy limits investment of Endowment Fund monies to the following instruments: bonds, notes or treasury bills of the United States, or its agencies; investment grade corporate bonds; certificates of deposit of institutions which are members of the Federal Deposit Insurance Corporation; commercial paper rated prime by Moody's Investor Services and/or Standard & Poor's Corporation; certain bankers acceptances; convertible securities, bonds and preferred stocks; common stock traded on United States exchanges; foreign equity investments and American Depository Receipts (ADR's); and mutual funds. The following investments are prohibited: short sales, put and call options, margin purchases, commodities futures, direct investment in tangible assets, private placements, venture capital financing, and securities of the Investment Manager or its parent corporation including proprietary mutual funds.

Interest Rate Risk – In order to limit interest rate risk, the Endowment Fund investment policy stipulates various maturity limits. Commercial paper maturities may not exceed 270 days, bankers acceptances are limited to 180 day maturities, and the average weighted maturity of the fixed income portfolio shall fall within a range of 3-10 years.

Concentration of Credit Risk – The Delta College Endowment Fund Investment and Distribution Policy limits the investment in individual securities of any one issuer to 5% of the market value of the assets of The Fund, with a maximum of 12% invested in foreign equities and ADR's. The 5% limit does not apply to money market funds, mutual funds, or obligations of the United States federal government or its agencies. As of June 30, 2006, the Endowment Fund did not hold any securities of any one issuer in excess of these limits.

Custodial Credit Risk – The Endowment Fund investment policy does not address the issue of custody. The Endowment Fund investments are held by Smith Barney as custodian, and are listed under the account name Delta College Endowment Fund. In the event that Smith Barney were to become insolvent, the account assets are protected by \$500,000 of coverage through the Securities Investor Protection Corporation (SIPC). Additionally, in the event of a forced liquidation of Citigroup Global Markets, Inc., losses in excess of those covered by SIPC, are covered by supplemental insurance protection subject to an aggregate loss limit of \$600 million maximum for the firm, with a \$1,900,000 cash limit per client. Smith Barney also carries insurance in excess of \$750 million to cover cash and securities held by their firm that may be deemed missing through theft, fire, employee dishonesty, or any unexplained disappearance.

Foreign Currency Risk – All foreign investments held by the Endowment Fund are in the form of ADR's and are denominated in U.S. currency.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 2. CASH AND INVESTMENTS – Continued

At June 30, 2006 the Endowment Fund had the following investments and maturities:

| Investment Type | S&P Quality Ratings | Fair Market Value | By Maturity | | | |
|-----------------------------------|--------------------------|---------------------|--------------------|---------------------|-------------------|---------------------|
| | | | Less Than One Year | 1-5 Years | 6-10 Years | More Than 10 Years |
| Corporate Bonds | AAA to A- BBB+ | \$ 868,726 | \$ 235,804 | \$ 521,274 | \$ 111,648 | \$ - |
| Corporate Convertible Bonds * | AAA to A BBB+ to BBB- | 94,778 518,340 | - - | - - | - - | 94,778 518,340 |
| International Convertible Bonds * | A+ BBB to BBB- | 527,308 74,033 | - - | - - | - - | 527,308 74,033 |
| Government Bonds | BBB to BBB- N/A | 236,712 924,100 | - 13,965 | - 528,928 | - 381,207 | 236,712 - |
| | | <u>3,243,997</u> | <u>\$ 249,769</u> | <u>\$ 1,050,202</u> | <u>\$ 492,855</u> | <u>\$ 1,451,171</u> |
| Preferred Stock | N/A | 480,108 | | | | |
| Equities | N/A | 4,945,909 | | | | |
| Foreign Equities | N/A | <u>1,146,160</u> | | | | |
| Total Investments | | <u>\$ 9,816,174</u> | | | | |

* Due to the convertible feature of these investments, they are generally not held to maturity.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 2. CASH AND INVESTMENTS – Continued

At June 30, 2005 the Endowment Fund had the following investments and maturities:

| Investment Type | S&P Quality Ratings | Fair Market Value | By Maturity | | | |
|-----------------------------------|--------------------------|-------------------|--------------------|--------------|------------|--------------------|
| | | | Less Than One Year | 1-5 Years | 6-10 Years | More Than 10 Years |
| Corporate Bonds | AAA to A- BBB+ to BB+ | \$ 802,822 | \$ 136,579 | \$ 524,759 | \$ 141,484 | \$ - |
| Corporate Convertible Bonds * | AAA to A BBB+ to BBB- | 58,088 | 25,091 | - | - | 32,997 |
| International Convertible Bonds * | A+ BBB to BBB- | 373,946 | - | 42,525 | - | 373,946 |
| Government Bonds | N/A | 662,288 | - | - | - | 619,763 |
| | | 48,593 | - | - | - | 48,593 |
| | | 196,981 | - | - | - | 196,981 |
| | | 702,528 | 90,844 | 611,684 | - | - |
| | | 2,845,246 | \$ 252,514 | \$ 1,178,968 | \$ 141,484 | \$ 1,272,280 |
| Preferred Stock | N/A | 294,647 | | | | |
| Equities | N/A | 4,154,736 | | | | |
| Foreign Equities | N/A | 817,954 | | | | |
| Total Investments | | \$ 8,112,583 | | | | |

* Due to the convertible feature of these investments, they are generally not held to maturity.

NOTE 3. PLEDGES RECEIVABLE

As of June 30, 2006 and 2005, donors to the College (including the Delta College Foundation) have made unconditional promises to give (pledges) approximating \$1.4 million and \$2.4 million, respectively. Such pledges are discounted to their present value, assuming their respective terms, at applicable discount rates for total discounts at June 30, 2006 and 2005 of \$72,364 and \$107,210, respectively. Management has also established an allowance for uncollectible pledges in the amount of \$39,821 and \$68,170, respectively, as of June 30, 2006 and 2005. Pledges deemed uncollectible are charged against the allowance in the period that determination is made. At June 30, 2006 and 2005, the collection of pledges receivable, net of discount and allowance, are scheduled as follows:

| | 2006 | 2005 |
|--------------------|--------------|--------------|
| Less than one year | \$ 740,238 | \$ 1,116,413 |
| One to five years | 547,306 | 1,087,735 |
| Total | \$ 1,287,544 | \$ 2,204,148 |

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 4. CAPITAL ASSETS

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2006 and 2005:

Year Ended June 30, 2006:

| | <u>Estimated Useful Life</u> | <u>Beginning Balance</u> | <u>Additions/ Depreciation</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---------------------------------------|----------------------------------|------------------------------|------------------------------------|--------------------|---------------------------|
| Depreciable Capital Assets: | | | | | |
| Buildings | 40 years | \$ 95,701,902 | \$4,892,501 | \$ 1,250,471 | \$ 99,343,932 |
| Land improvements | 20-40 years | 2,179,173 | 1,629,056 | - | 3,808,229 |
| Infrastructure | 20-25 years | 4,888,892 | 1,030,917 | - | 5,919,809 |
| Furniture and equipment | 5-20 years | 11,344,440 | 513,182 | 598,009 | 11,259,613 |
| Non-depreciable Capital Assets: | | | | | |
| Construction in progress | | 3,354,801 | 4,457,138 | 7,552,474 | 259,465 |
| Land | | 1,351,560 | - | - | 1,351,560 |
| Fine art collection | | 41,500 | 10,882 | - | 52,382 |
| Total Capital Assets | | 118,862,268 | 12,533,676 | 9,400,954 | 121,994,990 |
| Less Accumulated Depreciation: | | | | | |
| Buildings | | 18,804,163 | 2,443,791 | 900,419 | 20,347,535 |
| Land improvements | | 1,132,973 | 152,780 | - | 1,285,753 |
| Infrastructure | | 2,841,139 | 221,864 | - | 3,063,003 |
| Furniture and equipment | | 7,787,498 | 631,570 | 563,838 | 7,855,230 |
| Total Accumulated Depreciation | | 30,565,773 | \$ 3,450,005 | \$1,464,257 | 32,551,521 |
| Capital Assets, Net | | \$ 88,296,495 | | | \$ 89,443,469 |

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 4. CAPITAL ASSETS – Continued

Year Ended June 30, 2005:

| | <u>Estimated Useful Life</u> | <u>Beginning Balance</u> | <u>Additions/ Depreciation</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---------------------------------|----------------------------------|------------------------------|------------------------------------|-------------------|---------------------------|
| Depreciable Capital Assets: | | | | | |
| Buildings | 40 years | \$ 94,398,224 | \$ 2,035,605 | \$ 731,927 | \$ 95,701,902 |
| Land improvements | 20 years | 2,167,558 | 11,615 | - | 2,179,173 |
| Infrastructure | 20-25 years | 4,886,204 | 2,688 | - | 4,888,892 |
| Furniture and equipment | 5-20 years | 11,213,489 | 384,374 | 253,423 | 11,344,440 |
| Non-depreciable Capital Assets: | | | | | |
| Construction in progress | | 679,379 | 4,709,442 | 2,034,020 | 3,354,801 |
| Land | | 1,351,560 | - | - | 1,351,560 |
| Fine art collection | | 41,500 | - | - | 41,500 |
| Total Capital Assets | | 114,737,914 | 7,143,724 | 3,019,370 | 118,862,268 |
| Less Accumulated Depreciation: | | | | | |
| Buildings | | 17,130,470 | 2,332,607 | 658,914 | 18,804,163 |
| Land improvements | | 1,053,645 | 79,328 | - | 1,132,973 |
| Infrastructure | | 2,671,247 | 169,892 | - | 2,841,139 |
| Furniture and equipment | | 7,419,652 | 616,120 | 248,274 | 7,787,498 |
| Total Accumulated Depreciation | | 28,275,014 | <u>\$ 3,197,947</u> | <u>\$ 907,188</u> | 30,565,773 |
| Capital Assets, Net | | <u>\$ 86,462,900</u> | | | <u>\$ 88,296,495</u> |

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 5. RECOGNITION OF STATE APPROPRIATIONS

The College records revenue from state appropriations in accordance with the accounting method described in the annual funding bill passed by the State of Michigan legislation, which provides that state appropriations are recorded as revenue in the period for which they were appropriated. Accordingly, the College recognized 100% of the state's fiscal year 2005-2006 and 2004-2005 appropriations, respectively, as revenue during the years ended June 30, 2006 and 2005. Also, since state appropriations are distributed over an 11-month period, October through August, the College has recorded receivables at June 30, 2006 and 2005, respectively, for the subsequent payments received in July and August totaling \$2,348,562 and \$2,286,662.

Based on past experience, for each of the years ended June 30, 2006 and 2005, the College has designated a portion of its unrestricted net assets equal to the amounts receivable as estimates of the potential contingency in the event that the state were to change its method of distributing state appropriations that would cause the College to experience a permanent deferral or elimination of state appropriation revenue.

NOTE 6. OPERATING LEASE OBLIGATIONS

The College leases various training facilities, equipment and vehicles under short-term operating leases, with total lease expense approximating \$287,000 and \$368,000, respectively, for the years ended June 30, 2006 and 2005. At June 30, 2006, the College has noncancellable future lease payments totaling \$135,000, which are all due during the year ending June 30, 2007.

NOTE 7. RETIREMENT PLANS

Defined Benefit Pension Plan – MPSERS

Plan Description – The majority of College employees participate in the Michigan Public School Employees' Retirement System (MPSERS), a statewide multiple employer cost-sharing defined benefit public school employee retirement system governed by the State of Michigan that provides retirement, survivor and disability benefits to plan members and their beneficiaries.

MPSERS provides two plans, the Basic Plan and the Member Investment Plan. An employee who participates in the Basic Plan may retire at age 55 with 30 or more years of credited service or at age 60 with 10 or more years of credited service with a retirement benefit, payable monthly for life, equal to 1-1/2 percent of his or her final average compensation multiplied by the number of years of credited service. Final average compensation is the employee's highest total wages earned during a period of 60 consecutive calendar months.

An employee who participates in the Member Investment Plan (MIP) may retire at any age with 30 years of service, or at age 60 with 5 years of credited service, provided the member has worked through his or her 60th birthday and has credited service in each of the five school fiscal years immediately preceding the retirement allowance effective date, with a retirement benefit, payable monthly for life, equal to 1-1/2 percent of the participant's final average compensation multiplied by the number of years of credited service. Final average compensation is the employee's highest total wages earned during a period of 36 consecutive calendar months.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 7. RETIREMENT PLANS – Continued

Benefits under both plans, which are established by state statute, are fully vested upon reaching 10 years of service. Vested employees with less than 30 years of service may retire at age 55 under reduced benefits.

MPSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to MPSERS at 7150 Harris Drive, P.O. Box 30673, Lansing, MI 48909-8103.

Funding Policy – Employer contributions to MPSERS result from the effects of implementing the School Finance Reform Act. Under these procedures, each College is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. For the year ended June 30, 2006, the College contributed a fixed rate of 14.87% of covered compensation for the months July through September and 16.34% for the remainder of the fiscal year. Basic plan members make no contributions, but MIP members contribute at rates ranging from 3% to 4.3% of covered compensation.

Post Retirement Benefits – Under the MPSERS Act, all retirees participating in MPSERS have the option of continuing health, dental and vision coverage. Retirees having these coverages contribute an amount equivalent to the monthly cost for Part B Medicare and 0-20% of the monthly premium amount for the health, dental, and vision coverages. Required contributions for post-employment health care benefits are included as part of the College's total contribution to MPSERS as discussed above.

The following table discloses pertinent information relative to MPSERS funding for the three-year period beginning July 1, 2003 through June 30, 2006.

| | <u>2006</u> | Year Ended June 30, <u>2005</u> | <u>2004</u> |
|-----------------------------|----------------|------------------------------------|----------------|
| Funding percentage range | 14.87%-16.34% | 12.99%-14.87% | 12.99%-12.99% |
| Total College payroll | \$39.2 million | \$37.5 million | \$36.5 million |
| MPSERS covered compensation | \$29.8 million | \$28.7 million | \$27.6 million |
| College contributions | \$4,759,000 | \$4,132,000 | \$3,584,000 |
| Employee MIP contributions | \$701,000 | \$640,000 | \$598,000 |

Defined Contribution Plan – ORP

As an alternative pension option, the College offers all full-time faculty and full-time salaried administrative, professional and Corporate Services employees the opportunity to participate in an Optional Retirement Plan (ORP) administered by Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Upon eligibility to participate in the ORP, employees have 90 days in which to elect participation in either the ORP or the MPSERS plan. The election becomes irrevocable after the 90-day period.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 7. RETIREMENT PLANS – Continued

Funding for the plan consists entirely of employer contributions of 10% of each participating employee's includable compensation. Participants are immediately 100% vested in all ORP contributions. Participating employees elect their own allocation of contributions among the available investment vehicles offered by TIAA-CREF. ORP retirement benefits are based on the accumulation of contributions and the related investment income for each participant. Distribution of retirement benefits is available under the ORP when participants attain age 55.

During the years ended June 30, 2006 and 2005, compensation covered under the ORP approximated \$6,399,000 and \$5,972,000, respectively, resulting in contributions by the College of approximately \$640,000 and \$597,000.

NOTE 8. RISK MANAGEMENT

The College participates in the Michigan Community College Risk Management Authority (Authority) with other Michigan-based community colleges for claims relating to auto, property and liability. The Authority provides a risk pool program that operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts up to maximum coverage limits. The College pays an annual premium to the Authority and is responsible for a deductible and all costs, including damages, indemnification, and allocated loss adjustment expenses, for each claim that is within the College's Self-Insured Retention (SIR) limit. The College also participates in the stop loss provision of the plan, which is designed to limit the member's maximum cash payments during a July 1-June 30 year for costs falling within the College's SIR limit. Reinsurance is purchased by the Authority to further limit the risk of loss.

In addition, the College purchases commercial insurance for employee medical benefits and employee injuries (workers' compensation).

NOTE 9. CONTINGENT LIABILITIES

The College is aware of potential liabilities involving two large property tax appeals. If the appeals are successful, the College will be required to repay an undeterminable amount of property taxes collected during the past eight years, plus statutory interest. Because the ultimate outcome of these cases is unknown, the College has not recorded a liability in the accompanying financial statements, but as of June 30, 2006, has designated \$9,327,438 of its unrestricted net assets to cover any potential losses resulting from these appeals.

In the normal course of activities, the College is party to various legal actions. The College is of the opinion that the outcome of asserted claims outstanding will not have a material effect on the financial statements.

NOTES TO FINANCIAL STATEMENTS - Continued
DELTA COLLEGE
JUNE 30, 2006

NOTE 10. CONTRACTUAL COMMITMENT

The College has outsourced the management and operational support of its information technology services under a five-year agreement with SunGard Collegis, Inc. The contract period began on November 1, 2001. The current fee schedule, as amended in November 2005, calls for monthly payments ranging from \$168,306 to \$177,319 through October 2006, with a total contractual commitment of \$9,638,699.

NOTE 11. DELTA COLLEGE FOUNDATION

The Delta College Foundation (the Foundation) is an independent tax-exempt corporation formed for the purpose of receiving funds for the sole benefit of the College. Contributions received by the Foundation are transferred to the College to be used in the support of the College's educational programs. Such activities include contributing funds to the College's scholarship programs and endowment funds, supplementing or paying for professional development activities of the College's faculty and staff, and transferring donated equipment to the College to be used in general and occupational education programs. The College provides personnel support, supplies and equipment to the Foundation.

Based on the criteria set forth in GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, the Foundation is considered a component unit of Delta College. Accordingly, the activity and financial position of the Foundation have been blended with the College's in the accompanying financial statements.

At June 30, 2006 and 2005, the stated value of the net assets of the Foundation approximated \$1,800,000 and \$1,922,000, respectively, which included pledges receivable, net of an allowance for uncollectible pledges, of approximately \$1,026,000 and \$1,299,000, respectively. Grants and distributions to or on behalf of the College approximated \$2,419,000 and \$1,417,000, respectively, for the years ending June 30, 2006 and 2005.

The Delta College Foundation issues a financial report that includes financial statements and supplementary information. That report may be obtained by writing to Delta College Foundation at 1961 Delta Road, University Center, MI 48710.

NOTE 12. ENDOWMENT SPENDING RATE POLICY

If a donor has not provided specific instructions, the Board of Trustees is authorized to spend the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is distributed is required to be spent for the purposes for which the endowment was established. Under the policy established by the Board, four percent of the previous five-year quarterly moving average market value of each individual endowment is authorized to be distributed annually, although actual distribution is limited to not decrease the individual endowment balances below that of the cumulative original value of the endowment contributions.

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
CONSOLIDATING BALANCE SHEET
DELTA COLLEGE
JUNE 30, 2006

| | COMBINED TOTAL | ELIMINATION | GENERAL FUND | DESIGNATED FUND | AUXILIARY ACTIVITIES FUND | EXPENDABLE RESTRICTED FUND | STUDENT LOAN FUND | ENDOWMENT FUND | PLANT FUND | AGENCY FUND | FOUNDATION |
|---|---------------------------|---------------------|-------------------------|----------------------------|--|---|----------------------------------|---------------------------|-----------------------|------------------------|---------------------|
| ASSETS | | | | | | | | | | | |
| CURRENT ASSETS | | | | | | | | | | | |
| Cash and cash equivalents | \$ 5,797,667 | \$ - | \$ 41,978 | \$ 1,169 | \$ 291,097 | \$ 485,895 | \$ 323,480 | \$ 506,696 | \$ 3,516,870 | \$ 430,356 | \$ 200,126 |
| Short-term investments | 19,226,890 | - | 4,048,735 | 9,416,939 | - | - | - | - | 5,182,004 | - | 579,212 |
| Property taxes receivable | 60,687 | - | 60,687 | - | - | - | - | - | - | - | - |
| State appropriations receivable | 2,348,562 | - | 2,348,562 | - | - | - | - | - | - | - | - |
| Federal and state grants receivable | 1,245,798 | - | 59,794 | 739,893 | - | 446,111 | - | - | - | - | - |
| Accounts receivable | 1,967,735 | - | 351,984 | 851,449 | 759,405 | 4,834 | 63 | - | - | - | - |
| Pledges receivable | 740,238 | (207,672) | - | - | - | 201,442 | - | - | - | - | 746,468 |
| Inventories | 1,249,913 | - | 160,220 | - | 1,089,693 | - | - | - | - | - | - |
| Prepaid expenses and other assets | 984,532 | - | 437,345 | 25,403 | 825 | 63,561 | - | 33,546 | 423,852 | - | - |
| Due from (to) other funds | - | - | 33,000 | (93,815) | - | (239,185) | - | - | 300,000 | - | - |
| TOTAL CURRENT ASSETS | 33,622,022 | (207,672) | 7,542,305 | 10,941,038 | 2,141,020 | 962,658 | 323,543 | 540,242 | 9,422,726 | 430,356 | 1,525,806 |
| LONG-TERM INVESTMENTS | 11,784,776 | - | - | 984,301 | - | - | - | 9,816,174 | 984,301 | - | - |
| LONG-TERM PLEDGES RECEIVABLE | 547,306 | (61,454) | - | - | - | 59,610 | - | - | - | - | 549,150 |
| CAPITAL ASSETS | | | | | | | | | | | |
| Land and improvements | 5,159,789 | - | - | - | - | - | - | - | 5,159,789 | - | - |
| Infrastructure | 5,919,809 | - | - | - | - | - | - | - | 5,919,809 | - | - |
| Buildings | 99,343,932 | - | - | - | - | - | - | - | 99,343,932 | - | - |
| Furniture and Equipment | 11,259,613 | - | - | - | - | - | - | - | 11,259,613 | - | - |
| Fine Art collection | 52,382 | - | - | - | - | - | - | - | 52,382 | - | - |
| Construction in progress | 259,465 | - | - | - | - | - | - | - | 259,465 | - | - |
| Allowance for depreciation | (32,551,521) | - | - | - | - | - | - | - | (32,551,521) | - | - |
| TOTAL CAPITAL ASSETS | 89,443,469 | - | - | - | - | - | - | - | 89,443,469 | - | - |
| TOTAL ASSETS | \$ 135,397,573 | \$ (269,126) | \$ 7,542,305 | \$ 11,925,339 | \$ 2,141,020 | \$ 1,022,268 | \$ 323,543 | \$ 10,356,416 | \$ 99,850,496 | \$ 430,356 | \$ 2,074,956 |
| LIABILITIES AND NET ASSETS | | | | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | | | | |
| Accounts payable | \$ 1,503,384 | \$ (269,126) | \$ 350,133 | \$ 198,789 | \$ 39,331 | \$ 98,209 | \$ 39,005 | \$ - | \$ 341,443 | \$ 430,356 | \$ 275,244 |
| Accrued payroll and other compensation | 2,605,912 | - | 2,139,902 | 328,036 | 67,349 | 70,625 | - | - | - | - | - |
| Unearned revenue | 654,565 | - | 563,560 | 33,349 | 27,666 | 29,990 | - | - | - | - | - |
| TOTAL CURRENT LIABILITIES | 4,763,861 | (269,126) | 3,053,595 | 560,174 | 134,346 | 198,824 | 39,005 | - | 341,443 | 430,356 | 275,244 |
| NET ASSETS | | | | | | | | | | | |
| Invested in capital assets | 89,443,469 | - | - | - | - | - | - | - | 89,443,469 | - | - |
| Restricted for: | | | | | | | | | | | |
| Nonexpendable endowments | 7,924,690 | - | - | - | - | - | - | 7,183,724 | - | - | 740,966 |
| Expendable scholarships and awards | 725,663 | - | - | - | - | 485,694 | - | - | - | - | 239,969 |
| Instructional department uses | 269,024 | - | - | - | - | 140,621 | - | - | - | - | 128,403 |
| Public broadcasting activities | 100,167 | - | - | - | - | 100,167 | - | - | - | - | - |
| Other restricted uses | 480,244 | - | - | - | - | 130,559 | - | - | - | - | 349,685 |
| Unrestricted (deficit) | 31,690,455 | - | 4,488,710 | 11,365,165 | 2,006,674 | (33,597) | 284,538 | 3,172,692 | 10,065,584 | - | 340,689 |
| TOTAL NET ASSETS | 130,633,712 | - | 4,488,710 | 11,365,165 | 2,006,674 | 823,444 | 284,538 | 10,356,416 | 99,509,053 | - | 1,799,712 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 135,397,573 | \$ (269,126) | \$ 7,542,305 | \$ 11,925,339 | \$ 2,141,020 | \$ 1,022,268 | \$ 323,543 | \$ 10,356,416 | \$ 99,850,496 | \$ 430,356 | \$ 2,074,956 |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
CONSOLIDATING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
DELTA COLLEGE
YEAR ENDED JUNE 30, 2006

| | COMBINED TOTAL | ELIMINATION | GENERAL FUND | DESIGNATED FUND | AUXILIARY ACTIVITIES FUND | EXPENDABLE RESTRICTED FUND | STUDENT LOAN FUND | ENDOWMENT FUND | PLANT FUND | FOUNDATION |
|---|-----------------------|---------------------|---------------------|----------------------|---------------------------------|----------------------------------|-------------------------|----------------------|----------------------|---------------------|
| OPERATING REVENUE | | | | | | | | | | |
| Tuition and fees, net of scholarship allowance of \$4,482,816 in 2006 and \$4,230,847 in 2005 | \$ 19,479,615 | \$ (4,482,816) | \$ 19,210,176 | \$ 4,597,119 | \$ - | \$ - | \$ - | \$ - | \$ 155,136 | \$ - |
| Federal grants and contracts | 10,639,416 | - | 18,400 | - | - | 10,621,016 | - | - | - | - |
| State grants and contracts | 1,137,916 | - | - | - | - | 1,137,916 | - | - | - | - |
| Local and nongovernmental grants and contracts | 793,171 | - | - | - | - | 793,171 | - | - | - | - |
| Public broadcasting gifts | 731,533 | - | - | - | - | 731,533 | - | - | - | - |
| Auxiliary activities, net of scholarship allowance of \$1,055,994 in 2006 and \$1,062,644 in 2005 | 4,792,653 | (1,055,994) | - | - | 5,848,647 | - | - | - | - | - |
| Current year expenditures for capital equipment and facility improvements | - | (4,929,825) | - | - | - | - | - | - | 4,929,825 | - |
| Miscellaneous | 2,887,248 | (108,548) | 441,918 | 2,280,196 | - | 180,614 | 4,475 | - | 88,593 | - |
| TOTAL OPERATING REVENUE | 40,461,552 | (10,577,183) | 19,670,494 | 6,877,315 | 5,848,647 | 13,464,250 | 4,475 | - | 5,173,554 | - |
| OPERATING EXPENSES | | | | | | | | | | |
| Instruction | 32,744,757 | (156,137) | 25,935,247 | 3,715,451 | - | 3,250,196 | - | - | - | - |
| Public services | 2,839,619 | (46,930) | 853,031 | 74,934 | - | 1,958,584 | - | - | - | - |
| Instructional support | 6,765,127 | (10,882) | 6,393,787 | 162,208 | - | 220,014 | - | - | - | - |
| Student services | 16,367,946 | (5,663,610) | 5,808,162 | 1,935,356 | 5,323,644 | 8,964,394 | - | - | - | - |
| Institutional administration | 7,444,431 | (98,691) | 6,301,051 | 1,218,785 | - | - | - | - | - | 23,286 |
| Operation and maintenance of facilities | 6,921,211 | (4,492,385) | 6,130,741 | - | - | 100 | - | - | 5,282,755 | - |
| Depreciation expense | 3,398,628 | - | - | - | - | - | - | - | 3,398,628 | - |
| Fundraising expenses | 23,919 | - | - | - | - | - | - | - | - | 23,919 |
| Other expenses | 1,084 | (308,086) | - | - | - | - | 1,084 | 308,086 | - | - |
| TOTAL OPERATING EXPENSES | 76,506,722 | (10,776,721) | 51,422,019 | 7,106,734 | 5,323,644 | 14,393,288 | 1,084 | 308,086 | 8,681,383 | 47,205 |
| OPERATING INCOME (LOSS) | (36,045,170) | 199,538 | (31,751,525) | (229,419) | 525,003 | (929,038) | 3,391 | (308,086) | (3,507,829) | (47,205) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | | | |
| State appropriations | 13,021,000 | - | 13,021,000 | - | - | - | - | - | - | - |
| Property tax levy | 22,414,367 | - | 22,414,367 | - | - | - | - | - | - | - |
| Gifts | 936,965 | (2,344,569) | - | 328,615 | - | 732,018 | - | 83,437 | 15,000 | 2,122,464 |
| Special events, net of expenses of \$93,502 in 2006 and \$90,848 in 2005 | 149,457 | - | - | - | - | - | - | - | - | 149,457 |
| Investment income, net of Endowment Fund investment expense of \$83,770 in 2006 and \$74,804 in 2005 | 1,868,200 | (306,141) | 507,263 | 345,475 | - | 198,224 | 10,672 | 740,678 | 300,312 | 71,717 |
| Loss on disposition of capital assets | (275,675) | 108,548 | - | - | - | - | - | - | (384,223) | - |
| Foundation grants and distributions to or for Delta College | (74,035) | 2,344,569 | - | - | - | - | - | - | - | (2,418,604) |
| NET NONOPERATING REVENUES | 38,040,279 | (197,593) | 35,942,630 | 674,090 | - | 930,242 | 10,672 | 824,115 | (68,911) | (74,966) |
| NET INCOME (LOSS) BEFORE OTHER REVENUE | 1,995,109 | 1,945 | 4,191,105 | 444,671 | 525,003 | 1,204 | 14,063 | 516,029 | (3,576,740) | (122,171) |
| OTHER REVENUE | | | | | | | | | | |
| State capital appropriations | - | - | - | - | - | - | - | - | - | - |
| Capital gifts and grants | - | - | - | - | - | - | - | - | - | - |
| Additions to permanent endowments | 1,188,891 | (1,945) | - | - | - | - | - | 1,190,836 | - | - |
| TOTAL OTHER REVENUE | 1,188,891 | (1,945) | - | - | - | - | - | 1,190,836 | - | - |
| INCREASE (DECREASE) IN NET ASSETS | 3,184,000 | - | 4,191,105 | 444,671 | 525,003 | 1,204 | 14,063 | 1,706,865 | (3,576,740) | (122,171) |
| TRANSFERS IN (OUT) | - | - | (4,001,614) | 343,646 | (251,864) | 105,818 | - | 6,656 | 3,797,358 | - |
| NET INCREASE (DECREASE) IN NET ASSETS | 3,184,000 | - | 189,491 | 788,317 | 273,139 | 107,022 | 14,063 | 1,713,521 | 220,618 | (122,171) |
| NET ASSETS - BEGINNING OF YEAR | 127,449,712 | - | 4,299,219 | 10,576,848 | 1,733,535 | 716,422 | 270,475 | 8,642,895 | 99,288,435 | 1,921,883 |
| NET ASSETS - END OF YEAR | \$ 130,633,712 | \$ - | \$ 4,488,710 | \$ 11,365,165 | \$ 2,006,674 | \$ 823,444 | \$ 284,538 | \$ 10,356,416 | \$ 99,509,053 | \$ 1,799,712 |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF CERTAIN GENERAL FUND REVENUES
DELTA COLLEGE
Year Ended June 30, 2006

TUITION AND FEES

| | | |
|--|----|----------------|
| Tuition | \$ | 16,040,201 |
| Registration fees | | 741,488 |
| Course and program fees: | | |
| Excess contact hour fees | | 1,048,992 |
| Technology fees | | 1,133,027 |
| Welding, Nursing & Dental Hygiene program fees | | 72,643 |
| Telecourse fees | | 25,802 |
| Online course fees | | <u>148,023</u> |

TOTAL TUITION AND FEES **\$ 19,210,176**

MISCELLANEOUS REVENUES

| | | |
|------------------------------|----|---------------|
| Admission fees | \$ | 132,485 |
| Collegiate ads | | 5,364 |
| Credit by exam | | 11,598 |
| Miscellaneous | | 87,572 |
| Parking fines | | 8,719 |
| Planetarium ticket sales | | 53,207 |
| Rental of college facilities | | 59,982 |
| Reserve parking | | 8,380 |
| Testing | | <u>74,611</u> |

TOTAL MISCELLANEOUS REVENUES **\$ 441,918**

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF GENERAL FUND OPERATING EXPENSES
DELTA COLLEGE
Year Ended June 30, 2006

| | SALARIES | FRINGE BENEFITS | SUPPLIES & SERVICES | CAPITAL EXPENDITURES | PROFESSIONAL DEVELOPMENT & TRAVEL | TOTAL |
|--|-------------------|----------------------------|------------------------------------|---------------------------------|--|-------------------|
| INSTRUCTION | | | | | | |
| Social Sciences | \$ 2,510,454 | \$ 801,612 | \$ 34,650 | \$ - | \$ 27,125 | \$ 3,373,841 |
| Humanities | 1,972,636 | 646,177 | 40,930 | - | 19,250 | 2,678,993 |
| English | 2,589,384 | 864,633 | 20,407 | - | 27,125 | 3,501,549 |
| Mathematics & Computer Science | 1,722,688 | 556,438 | 23,446 | - | 16,625 | 2,319,197 |
| Sciences | 2,886,190 | 886,175 | 90,304 | - | 26,243 | 3,888,912 |
| Business & Information Technology | 2,453,538 | 790,639 | 37,146 | - | 22,313 | 3,303,636 |
| Health & Wellness | 2,978,613 | 957,960 | 162,953 | - | 28,875 | 4,128,401 |
| Technical Trades & Manufacturing | 1,583,840 | 483,390 | 120,176 | - | 13,579 | 2,200,985 |
| Instructional Equipment | - | - | 533,603 | 6,130 | - | 539,733 |
| TOTAL INSTRUCTION | 18,697,343 | 5,987,024 | 1,063,615 | 6,130 | 181,135 | 25,935,247 |
| PUBLIC SERVICES | | | | | | |
| Television | 309,398 | 119,376 | 3,010 | - | - | 431,784 |
| Public Radio | 64,222 | 27,995 | - | - | - | 92,217 |
| Planetarium and Learning Center | 172,771 | 66,348 | 41,534 | - | 2,143 | 282,796 |
| Community Outreach | 32,470 | 13,764 | - | - | - | 46,234 |
| TOTAL PUBLIC SERVICES | 578,861 | 227,483 | 44,544 | - | 2,143 | 853,031 |
| INSTRUCTIONAL SUPPORT | | | | | | |
| Office of Vice President of Instruction & Learning Services | 141,248 | 52,024 | 8,784 | - | 12,458 | 214,514 |
| Division Chairs | 690,674 | 239,589 | 18,352 | - | 9,708 | 958,323 |
| Academic Deans | 440,842 | 145,809 | 13,344 | - | 11,441 | 611,436 |
| Faculty Secretarial & Instructional Support | 414,857 | 207,531 | 139,900 | - | 6,656 | 768,944 |
| Instructional Support Information Technology | - | - | 1,206,904 | - | - | 1,206,904 |
| Computer & Multimedia Laboratories | 118,258 | 8,174 | 43,209 | - | - | 169,641 |
| Learning Resources Center | 489,744 | 178,904 | 146,533 | - | 3,514 | 818,695 |
| Teaching Learning Center | 276,086 | 99,305 | 376 | - | 2,213 | 377,980 |
| Academic Testing Center | 51,981 | 11,190 | 755 | - | - | 63,926 |
| Instructional Media Technology | 83,707 | 28,483 | 26,355 | - | - | 138,545 |
| Fitness & Aquatics Center Instructional Support | 101,675 | 24,941 | 23,965 | - | - | 150,581 |
| Midland Center Instructional Support | 40,287 | 20,809 | - | - | - | 61,096 |
| Teaching Enhancement Centers | 145,438 | 67,745 | 10,696 | 10,882 | 11,432 | 246,193 |
| Accreditation, Articulation & Assessment | 57,341 | 12,608 | 29,649 | - | 18,071 | 117,669 |
| Student Development Program | 90,081 | 44,037 | - | - | - | 134,118 |
| Honors Program | 35,896 | 7,349 | 4,738 | - | 161 | 48,144 |
| Possible Dream Program | 42,269 | 13,571 | 741 | - | - | 56,581 |
| Telelearning & Distance Learning | 107,944 | 46,886 | 89,562 | - | 6,105 | 250,497 |
| TOTAL INSTRUCTIONAL SUPPORT | 3,328,328 | 1,208,955 | 1,763,863 | 10,882 | 81,759 | 6,393,787 |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF GENERAL FUND OPERATING EXPENSES - Continued
DELTA COLLEGE
Year Ended June 30, 2006

| | SALARIES | FRINGE BENEFITS | SUPPLIES & SERVICES | CAPITAL EXPENDITURES | PROFESSIONAL DEVELOPMENT & TRAVEL | TOTAL |
|--|------------------|----------------------------|------------------------------------|---------------------------------|--|------------------|
| STUDENT SERVICES | | | | | | |
| Office of Vice President of Student & Education Services | \$ 107,230 | \$ 27,148 | \$ 10,966 | \$ - | \$ 3,502 | \$ 148,846 |
| Dean of Student & Educational Services | 180,593 | 63,022 | 88,790 | - | 4,284 | 336,689 |
| Student Services Support Information Technology | - | - | 470,447 | - | - | 470,447 |
| Admissions | 364,023 | 166,575 | 74,303 | - | 9,320 | 614,221 |
| Records & Registration | 314,754 | 121,481 | 67,135 | - | 1,151 | 504,521 |
| Guidance & Counseling | 724,802 | 288,407 | 11,567 | - | 2,710 | 1,027,486 |
| Financial Aid | 451,784 | 192,550 | 26,024 | - | 3,541 | 673,899 |
| Testing, Assessment & Retention | 87,524 | 41,304 | 82,225 | - | 1,281 | 212,334 |
| Student Activities | 2,512 | 235 | 10,886 | - | 2,682 | 16,315 |
| Career & Employment Services | 199,382 | 100,476 | 16,907 | - | 258 | 317,023 |
| Multicultural Services & Events | 133,925 | 41,655 | 27,876 | - | 1,001 | 204,457 |
| Marketing & Publications | - | - | 484,160 | - | - | 484,160 |
| Veteran Services | - | - | 577 | - | - | 577 |
| Student Newspaper | 29,933 | 1,631 | 10,869 | - | 899 | 43,332 |
| Disability Services | 58,605 | 19,171 | 28,699 | - | 110 | 106,585 |
| Commencement & Student Awards | - | - | 20,284 | - | - | 20,284 |
| Scholarships & Grants | - | - | 224,239 | - | - | 224,239 |
| Ricker Center | 142,031 | 57,505 | 18,433 | - | - | 217,969 |
| Intercollegiate Athletics | 55,468 | 14,549 | 72,412 | - | 42,349 | 184,778 |
| TOTAL STUDENT SERVICES | 2,852,566 | 1,135,709 | 1,746,799 | - | 73,088 | 5,808,162 |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF GENERAL FUND OPERATING EXPENSES - Continued
DELTA COLLEGE
Year Ended June 30, 2006

| | SALARIES | FRINGE BENEFITS | SUPPLIES & SERVICES | CAPITAL EXPENDITURES | PROFESSIONAL DEVELOPMENT & TRAVEL | TOTAL |
|--|----------------------|----------------------------|------------------------------------|---------------------------------|--|----------------------|
| INSTITUTIONAL ADMINISTRATION | | | | | | |
| Board of Trustees | \$ - | \$ - | \$ 16,187 | \$ - | \$ 6,851 | \$ 23,038 |
| Development Office | 232,667 | 93,816 | 28,003 | - | 1,509 | 355,995 |
| Affirmative Action | 67,045 | 23,769 | 2,172 | - | - | 92,986 |
| President's Office | 284,476 | 86,742 | 64,285 | - | 16,167 | 451,670 |
| Memberships | - | - | 70,343 | - | 5,340 | 75,683 |
| Miscellaneous | - | 9,791 | 100,966 | - | 9,147 | 119,904 |
| Strategic Planning | - | - | 43,767 | - | 27,047 | 70,814 |
| Legal, Audit & Consulting Services | - | - | 73,133 | - | - | 73,133 |
| Bank Fees & Collection Expenses | - | - | 312,961 | - | - | 312,961 |
| Insurance | - | 66,699 | 374,983 | - | - | 441,682 |
| Communications Technology | 162,086 | 61,175 | 147,959 | - | 3,397 | 374,617 |
| Business Services | 224,106 | 99,680 | 10,856 | - | 855 | 335,497 |
| Finance Office | 571,299 | 230,608 | 53,576 | - | 6,878 | 862,361 |
| Administrative Support Information Technology | 29,643 | 8,687 | 772,459 | 66,241 | 361 | 877,391 |
| Human Resources & Staff Recruitment | 370,730 | 152,530 | 68,074 | - | 10,106 | 601,440 |
| Senate | 40,112 | 14,039 | 5,322 | - | 2,086 | 61,559 |
| Post Office | 56,493 | 27,709 | 8,135 | 32,450 | - | 124,787 |
| Institutional Advancement | 225,966 | 83,063 | 41,409 | - | 3,459 | 353,897 |
| Administrative Services | 412,036 | 129,289 | 11,206 | - | 4,865 | 557,396 |
| Staff Training, Wellness & Professional Development | 53,780 | 22,589 | 49,392 | - | 8,479 | 134,240 |
| TOTAL INSTITUTIONAL ADMINISTRATION | 2,730,439 | 1,110,186 | 2,255,188 | 98,691 | 106,547 | 6,301,051 |
| OPERATION AND MAINTENANCE OF FACILITIES | | | | | | |
| Public Safety | 358,072 | 169,035 | 23,846 | - | 196 | 551,149 |
| Facilities Management | 484,055 | 182,554 | 496 | - | 1,636 | 668,741 |
| Facility Operations | 1,487,824 | 663,219 | 279,642 | 8,203 | - | 2,438,888 |
| Utilities | - | - | 1,916,306 | - | - | 1,916,306 |
| Facility Maintenance & Improvements | - | - | 248,243 | 27,044 | - | 275,287 |
| Off-Campus Centers & President's House | - | - | 280,370 | - | - | 280,370 |
| TOTAL OPERATION AND MAINTENANCE OF FACILITIES | 2,329,951 | 1,014,808 | 2,748,903 | 35,247 | 1,832 | 6,130,741 |
| TOTAL GENERAL FUND OPERATING EXPENSES | \$ 30,517,488 | \$ 10,684,165 | \$ 9,622,912 | \$ 150,950 | \$ 446,504 | \$ 51,422,019 |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF DESIGNATED FUND
DELTA COLLEGE
Year Ended June 30, 2006

| | REVENUES | | | | | EXPENSES | | | | | | | NET INCREASE (DECREASE) IN NET ASSETS | NET ASSETS JUNE 30, 2006 | |
|---|-------------------------------|---------------------|--------------------------|------------|--|------------------|--------------|--------------------|-----------------------------|-------------------------|--|-------------------|---|--------------------------------|----------------------|
| | NET ASSETS JULY 1, 2005 | TUITION AND FEES | MISCELLANEOUS REVENUE | GIFTS | ENDOWMENT AND INVESTMENT INCOME | TOTAL REVENUE | SALARIES | FRINGE BENEFITS | SUPPLIES AND SERVICES | CAPITAL EXPENDITURES | PROFESSIONAL DEVELOPMENT AND TRAVEL | TOTAL EXPENSES | | | TRANSFERS IN(OUT) |
| INSTRUCTION | | | | | | | | | | | | | | | |
| Corporate Services | \$ 184,715 | \$ 3,009,578 | \$ 16,929 | \$ - | \$ - | \$ 3,026,507 | \$ 1,717,982 | \$ 646,285 | \$ 551,274 | \$ - | \$ 1,912 | \$ 2,917,453 | \$ - | \$ 109,054 | \$ 293,769 |
| Criminal Justice Training Programs | (246,747) | 263,612 | - | - | - | 263,612 | 233,538 | 81,791 | 58,751 | - | 9,002 | 383,082 | (4,477) | (123,947) | (370,694) |
| Workforce Development Center | 21,900 | 346,701 | - | - | - | 346,701 | 242,375 | 66,396 | 102,389 | - | 3,756 | 414,916 | 69,094 | 879 | 22,779 |
| TOTAL INSTRUCTION | (40,132) | 3,619,891 | 16,929 | - | - | 3,636,820 | 2,193,895 | 794,472 | 712,414 | - | 14,670 | 3,715,451 | 64,617 | (14,014) | (54,146) |
| PUBLIC SERVICES | | | | | | | | | | | | | | | |
| Global Awareness | 1,717 | - | - | 2,373 | - | 2,373 | - | - | 1,838 | - | - | 1,838 | - | 535 | 2,252 |
| Delta Productions | 1,040 | - | 3,674 | - | - | 3,674 | 2,265 | 541 | 750 | - | - | 3,556 | - | 118 | 1,158 |
| Young Author's Day | 5,019 | - | 41,675 | 15,540 | - | 57,215 | 257 | - | 51,420 | - | 4,707 | 56,384 | (51) | 780 | 5,799 |
| Telelearning Network | 6,711 | - | 9,307 | - | - | 9,307 | - | - | - | - | - | - | - | 9,307 | 16,018 |
| Sailing Program | (66,826) | 12,856 | - | 500 | 873 | 14,229 | 6,236 | 635 | 6,285 | - | - | 13,156 | - | 1,073 | (65,753) |
| TOTAL PUBLIC SERVICES | (52,339) | 12,856 | 54,656 | 18,413 | 873 | 86,798 | 8,758 | 1,176 | 60,293 | - | 4,707 | 74,934 | (51) | 11,813 | (40,526) |
| INSTRUCTIONAL SUPPORT | | | | | | | | | | | | | | | |
| Center for Organizational Success | 57,930 | - | - | - | - | - | 38,677 | 5,200 | 9,244 | - | 4,809 | 57,930 | - | (57,930) | - |
| College of Active Adults | 25,000 | - | - | - | - | - | 20,000 | 1,530 | 1,223 | - | - | 22,753 | - | (22,753) | 2,247 |
| President's Scholarship Program | 274,595 | - | - | - | 2,094 | 2,094 | - | - | - | - | - | - | - | 2,094 | 276,689 |
| President's Innovative Projects | 23,788 | - | - | - | - | - | - | - | 6,975 | - | 5,067 | 12,042 | - | (12,042) | 11,746 |
| Faculty & Instructional Development | 89,810 | - | 27,331 | - | - | 27,331 | 500 | 120 | 13,806 | - | 44,957 | 59,383 | 2,550 | (29,502) | 60,308 |
| International Activities | 2,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,000 |
| Library Resource Replacement | - | - | 5,320 | - | - | 5,320 | - | - | - | - | - | - | - | 5,320 | 5,320 |
| Photography Lab Printing | - | - | 2,266 | - | - | 2,266 | - | - | 1,885 | - | - | 1,885 | - | 381 | 381 |
| Art & Archive Projects | 4,757 | - | 435 | - | 4,238 | 4,673 | - | - | 8,215 | - | - | 8,215 | 6,000 | 2,458 | 7,215 |
| TOTAL INSTRUCTIONAL SUPPORT | 477,880 | - | 35,352 | - | 6,332 | 41,684 | 59,177 | 6,850 | 41,348 | - | 54,833 | 162,208 | 8,550 | (111,974) | 365,906 |
| STUDENT SERVICES | | | | | | | | | | | | | | | |
| Student Educational Initiatives | 21,969 | - | 3,000 | 1,449 | - | 4,449 | - | - | 8,362 | - | 15 | 8,377 | - | (3,928) | 18,041 |
| Social Science Olympics | 1,157 | - | - | 2,750 | - | 2,750 | - | - | 896 | - | - | 896 | - | 1,854 | 3,011 |
| Pioneer Athletic Fundraisers | 850 | - | 26,798 | 9,955 | - | 36,753 | 360 | 86 | 24,604 | - | 4,966 | 30,016 | (4,132) | 2,605 | 3,455 |
| Multicultural Events | 28 | - | 5,700 | 1,150 | - | 6,850 | - | - | 7,054 | - | - | 7,054 | 1,500 | 1,296 | 1,324 |
| Asset Group | 37,063 | - | 193,941 | - | - | 193,941 | - | - | 193,941 | - | - | 193,941 | - | - | 37,063 |
| Workstudy Co-op Programs | 87,569 | - | 1,711,750 | - | - | 1,711,750 | 1,560,458 | 126,968 | 4,579 | - | 3,067 | 1,695,072 | - | 16,678 | 104,247 |
| TOTAL STUDENT SERVICES | 148,636 | - | 1,941,189 | 15,304 | - | 1,956,493 | 1,560,818 | 127,054 | 239,436 | - | 8,048 | 1,935,356 | (2,632) | 18,505 | 167,141 |
| INSTITUTIONAL ADMINISTRATION | | | | | | | | | | | | | | | |
| Corporate Services Administration | - | 964,372 | 22,128 | 240 | - | 986,740 | 513,300 | 43,576 | 289,430 | - | 3,076 | 849,382 | (137,358) | - | - |
| Whiting Projects | 74,540 | - | - | - | 26,103 | 26,103 | - | - | 39,554 | - | 691 | 40,245 | (3,480) | (17,622) | 56,918 |
| UNUM Projects | 561,465 | - | - | - | 12,167 | 12,167 | - | - | - | - | - | - | - | 12,167 | 573,632 |
| Reserve for FLEC Implementation | 300,000 | - | - | - | - | - | - | - | - | - | - | - | (300,000) | (300,000) | - |
| Technology Improvements | 74,417 | - | - | - | - | - | - | - | 25,050 | - | - | 25,050 | - | (25,050) | 49,367 |
| Internet Access Technology | 3,651 | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,651 |
| Administrative Projects | 21,839 | - | - | - | - | - | - | - | 2,286 | - | 4,583 | 6,869 | - | (6,869) | 14,970 |
| Administrative Cost Reserve | 76,247 | - | - | - | - | - | - | - | - | - | - | - | - | - | 76,247 |
| Administrative Reserve for Tax Appeals | 8,313,438 | - | - | - | 300,000 | 300,000 | - | - | - | - | - | - | 714,000 | 1,014,000 | 9,327,438 |
| Self Insurance | 617,206 | - | 209,942 | - | - | 209,942 | - | - | 2,581 | - | - | 2,581 | - | 207,361 | 824,567 |
| Gifts In Kind | - | - | - | 294,658 | - | 294,658 | - | - | 294,658 | - | - | 294,658 | - | - | - |
| TOTAL INSTITUTIONAL ADMINISTRATION | 10,042,803 | 964,372 | 232,070 | 294,898 | 338,270 | 1,829,610 | 513,300 | 43,576 | 653,559 | - | 8,350 | 1,218,785 | 273,162 | 883,987 | 10,926,790 |
| TOTAL DESIGNATED FUND | \$ 10,576,848 | \$ 4,597,119 | \$ 2,280,196 | \$ 328,615 | \$ 345,475 | \$ 7,551,405 | \$ 4,335,948 | \$ 973,128 | \$ 1,707,050 | \$ - | \$ 90,608 | \$ 7,106,734 | \$ 343,646 | \$ 788,317 | \$ 11,365,165 |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF AUXILIARY ACTIVITIES FUND
DELTA COLLEGE
Year Ended June 30, 2006

| | NET ASSETS JULY 1, 2005 | OPERATING REVENUES | EXPENSES | | | | TOTAL EXPENSES | OPERATING INCOME (LOSS) | TRANSFERS IN(OUT) | NET ASSETS JUNE 30, 2006 |
|---|-------------------------------|-----------------------|-------------------|--------------------|-----------------------------|---------------------|---------------------|-------------------------------|----------------------|--------------------------------|
| | | | SALARIES | FRINGE BENEFITS | SUPPLIES AND SERVICES | CAPITAL EXPENSES | | | | |
| AUXILIARY ACTIVITIES | | | | | | | | | | |
| Bookstore | \$ 998,138 | \$ 4,525,244 | \$ 376,533 | \$ 122,652 | \$ 3,687,754 | \$ - | \$ 4,186,939 | \$ 338,305 | \$ (250,940) | \$ 1,085,503 |
| Food Services | 69,584 | 832,638 | 362,787 | 137,453 | 293,999 | - | 794,239 | 38,399 | (184) | 107,799 |
| Fitness & Recreation Center | 78,206 | 405,813 | 199,648 | 39,344 | 88,452 | - | 327,444 | 78,369 | (740) | 155,835 |
| Carlyon Farmhouse | 4,341 | 441 | - | - | - | - | - | 441 | - | 4,782 |
| Planetarium Gift Shop & Conference Services | (27,842) | 42,908 | 9,804 | 1,351 | 36,212 | - | 47,367 | (4,459) | - | (32,301) |
| Learning Resources Vending | 4,734 | 12,395 | - | - | 11,317 | - | 11,317 | 1,078 | - | 5,812 |
| TOTAL AUXILIARY ACTIVITIES | <u>1,127,161</u> | <u>5,819,439</u> | <u>\$ 948,772</u> | <u>\$ 300,800</u> | <u>\$ 4,117,734</u> | <u>\$ -</u> | <u>5,367,306</u> | <u>452,133</u> | <u>(251,864)</u> | <u>1,327,430</u> |
| INTERNAL SERVICE OPERATIONS | | | | | | | | | | |
| Internal Service Operations | 606,374 | 843,078 | \$ 167,704 | \$ 66,154 | \$ 411,550 | \$ 124,800 | 770,208 | 72,870 | - | 679,244 |
| Elimination of Rebilled Charges | - | (813,870) | - | - | - | - | (813,870) | - | - | - |
| NET INTERNAL SERVICE OPERATIONS | <u>606,374</u> | <u>29,208</u> | | | | | <u>(43,662)</u> | <u>72,870</u> | <u>-</u> | <u>679,244</u> |
| TOTALS | <u>\$ 1,733,535</u> | <u>\$ 5,848,647</u> | | | | | <u>\$ 5,323,644</u> | <u>\$ 525,003</u> | <u>\$ (251,864)</u> | <u>\$ 2,006,674</u> |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF EXPENDABLE RESTRICTED FUND
DELTA COLLEGE
Year Ended June 30, 2006

| | REVENUES | | | | | | | | EXPENSES | | | | | | | | NET INCREASE (DECREASE) IN NET ASSETS | NET ASSETS JUNE 30, 2006 |
|--|-------------------|----------------------|---------------------|-------------------|-------------------|---------------------|-------------------|----------------------|---------------------|-------------------|----------------------|-------------------|-------------------|----------------------|-------------------|-------------------|---|--------------------------------|
| | NET | FEDERAL | STATE | LOCAL AND | MISCELLANEOUS | ENDOWMENT | TOTAL | | SALARIES | FRINGE | SUPPLIES | CAPITAL | PROFESSIONAL | TOTAL | TRANSFERS | | | |
| | ASSETS | GRANTS AND | GRANTS AND | NONGOVERNMENTAL | REVENUE | AND | REVENUE | | | BENEFITS | AND | EXPENDITURES | AND | EXPENSES | IN(OUT) | | | |
| JULY 1, 2005 | CONTRACTS | CONTRACTS | GRANTS AND | | INVESTMENT | | | | | SERVICES | | TRAVEL | | | | | | |
| INSTRUCTION | | | | | | | | | | | | | | | | | | |
| Corporate Services Grants | \$ 21,280 | \$ 1,967,607 | \$ 584,313 | \$ 84,991 | \$ 50 | \$ 125,500 | \$ - | \$ 2,762,461 | \$ 1,094,856 | \$ 388,635 | \$ 1,227,917 | \$ - | \$ 11,518 | \$ 2,722,926 | \$ - | \$ 39,535 | \$ 60,815 | |
| Motorcycle Safety Training Programs | 33,308 | - | 31,895 | - | 12,038 | 26,500 | - | 70,433 | 29,715 | 7,173 | 12,928 | - | 740 | 50,556 | - | 19,877 | 53,185 | |
| Endowed Teaching Chair Program | 17,920 | - | - | - | - | 1,430 | 11,762 | 13,192 | - | - | 3,195 | - | 1,297 | 4,492 | - | 8,700 | 26,620 | |
| Criminal Justice Training Programs | - | - | 24,260 | - | 5,902 | - | - | 30,162 | 22,546 | 4,900 | 8,263 | - | 5 | 35,714 | 4,477 | (1,075) | (1,075) | |
| Technical Division Equipment Grant | - | 29,202 | - | - | - | - | - | 29,202 | - | - | 7,437 | 21,765 | - | 29,202 | - | - | - | |
| Perkins Voc Ed Grant - Instructional Equipment | - | 397,638 | - | - | - | - | - | 397,638 | - | - | 269,396 | 128,242 | - | 397,638 | - | - | - | |
| TOTAL INSTRUCTION | 72,508 | 2,404,116 | 640,468 | 84,991 | 17,990 | 153,430 | 11,762 | 3,312,757 | 1,153,291 | 401,335 | 1,532,003 | 150,007 | 13,560 | 3,250,196 | 4,477 | 67,038 | 139,546 | |
| PUBLIC SERVICE | | | | | | | | | | | | | | | | | | |
| Substance Abuse Grants | (2,498) | 47,776 | 13,072 | 13,072 | - | - | - | 73,920 | 39,752 | 9,301 | 38,525 | - | 10,536 | 98,114 | - | (24,194) | (26,692) | |
| Possible Dream Program | 34,035 | - | - | - | - | 73,640 | 20,140 | 93,780 | - | - | 67,198 | - | - | 67,198 | - | 26,582 | 60,617 | |
| Ogawkawing Mission Restoration Project | 11,073 | - | - | - | - | - | - | - | - | - | 240 | - | - | 240 | - | (240) | 10,833 | |
| Summer Enrichment Math Program | (2,195) | - | - | - | - | 8,270 | - | 8,270 | - | - | 11,905 | - | - | 11,905 | - | (3,635) | (5,830) | |
| Tech Prep Grant | - | 160,347 | - | - | - | - | - | 160,347 | 16,324 | 4,217 | 78,093 | - | 61,713 | 160,347 | - | - | - | |
| Planetarium Be A Star | 35,918 | - | - | - | - | - | 14,504 | 14,504 | - | - | - | - | - | - | - | 14,504 | 50,422 | |
| Public Broadcasting - Television | 105,426 | 4,655 | - | 695,108 | 118,611 | 543,795 | 7,452 | 1,369,621 | 404,425 | 150,349 | 797,404 | 46,930 | 15,500 | 1,414,608 | (5,889) | (50,876) | 54,550 | |
| Public Broadcasting - Radio | 28,587 | - | - | - | 16,425 | 205,996 | 1,765 | 224,186 | 76,518 | 33,912 | 93,389 | - | 2,353 | 206,172 | (984) | 17,030 | 45,617 | |
| TOTAL PUBLIC SERVICE | 210,346 | 212,778 | 13,072 | 708,180 | 135,036 | 831,701 | 43,861 | 1,944,628 | 537,019 | 197,779 | 1,086,754 | 46,930 | 90,102 | 1,958,584 | (6,873) | (20,829) | 189,517 | |
| INSTRUCTIONAL SUPPORT | | | | | | | | | | | | | | | | | | |
| Water Treatment Instruction Development | 4,770 | - | - | - | - | - | - | - | - | - | 201 | - | - | 201 | - | (201) | 4,569 | |
| Fast Track Grants | - | 8,652 | - | - | - | - | - | 8,652 | - | - | - | - | 8,652 | 8,652 | - | - | - | |
| Perkins Voc Ed Grant - Professional & Curriculum Development | - | 211,161 | - | - | - | - | - | 211,161 | 122,941 | 52,930 | 20,712 | - | 14,578 | 211,161 | - | - | - | |
| TOTAL INSTRUCTIONAL SUPPORT | 4,770 | 219,813 | - | - | - | - | - | 219,813 | 122,941 | 52,930 | 20,913 | - | 23,230 | 220,014 | - | (201) | 4,569 | |
| STUDENT SERVICES | | | | | | | | | | | | | | | | | | |
| Perkins Voc Ed Grant - Special Populations | - | 164,813 | - | - | - | - | - | 164,813 | 140,613 | 44,504 | 23,645 | - | 933 | 209,695 | 44,882 | - | - | |
| MICUP/MTU Partnership Grant | - | - | 9,847 | - | - | - | - | 9,847 | 4,341 | 1,361 | 1,375 | - | 2,770 | 9,847 | - | - | - | |
| Michigan Adult Part Time Grants | - | - | 86,652 | - | - | - | - | 86,652 | - | - | 86,652 | - | - | 86,652 | - | - | - | |
| Michigan Educational Opportunity Grants | - | - | 55,438 | - | - | - | - | 55,438 | - | - | 55,438 | - | - | 55,438 | - | - | - | |
| Michigan Workstudy Grants | - | - | 115,630 | - | - | - | - | 115,630 | 144,538 | - | - | - | - | 144,538 | 28,908 | - | - | |
| Michigan Nursing Board Scholarships Grant | - | - | 101,000 | - | - | - | - | 101,000 | - | - | 101,000 | - | - | 101,000 | - | - | - | |
| Pell Grants | - | 6,946,984 | - | - | - | - | - | 6,946,984 | - | - | 6,946,984 | - | - | 6,946,984 | - | - | - | |
| Supplemental Educational Opportunity Grant | - | 419,310 | - | - | - | - | - | 419,310 | - | - | 419,310 | - | - | 419,310 | - | - | - | |
| Federal Workstudy Grant | - | 223,481 | - | - | - | - | - | 223,481 | 260,053 | - | 18,545 | - | - | 278,598 | 55,117 | - | - | |
| Job Locator and Development Grant | - | 29,721 | - | - | - | - | - | 29,721 | 21,363 | 8,358 | - | - | - | 29,721 | - | - | - | |
| Federal Workstudy Off-Campus | - | - | - | - | 27,588 | - | - | 27,588 | - | - | - | - | - | - | (27,588) | - | - | |
| At Risk Grants | - | - | 114,519 | - | - | - | - | 114,519 | 80,407 | 24,471 | 9,317 | - | 324 | 114,519 | - | - | - | |
| Scholarships & Awards | 425,870 | - | - | - | - | 478,420 | 142,601 | 621,021 | 4,600 | 351 | 563,141 | - | - | 568,092 | 6,895 | 59,824 | 485,694 | |
| TOTAL STUDENT SERVICES | 425,870 | 7,784,309 | 483,086 | - | 27,588 | 478,420 | 142,601 | 8,916,004 | 655,915 | 79,045 | 8,225,407 | - | 4,027 | 8,964,394 | 108,214 | 59,824 | 485,694 | |
| OPERATION AND MAINTENANCE OF FACILITIES | | | | | | | | | | | | | | | | | | |
| Michigan Justice Training Grant | 2,928 | - | 1,290 | - | - | - | - | 1,290 | - | - | - | - | 100 | 100 | - | 1,190 | 4,118 | |
| TOTAL OPERATION AND MAINTENANCE OF FACILITIES | 2,928 | - | 1,290 | - | - | - | - | 1,290 | - | - | - | - | 100 | 100 | - | 1,190 | 4,118 | |
| TOTAL EXPENDABLE RESTRICTED FUND | \$ 716,422 | \$ 10,621,016 | \$ 1,137,916 | \$ 793,171 | \$ 180,614 | \$ 1,463,551 | \$ 198,224 | \$ 14,394,492 | \$ 2,469,166 | \$ 731,089 | \$ 10,865,077 | \$ 196,937 | \$ 131,019 | \$ 14,393,288 | \$ 105,818 | \$ 107,022 | \$ 823,444 | |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF DELTA COLLEGE ENDOWMENT FUND
DELTA COLLEGE
Year Ended June 30, 2006

| ENDOWMENT FUNDS | NET ASSETS JULY 1, 2005 | GIFTS | INTEREST & DIVIDENDS | NET GAIN ON INVESTMENTS | DISTRIBUTIONS | INVESTMENT FEES | NET ASSETS JUNE 30, 2006 |
|--|-------------------------------|---------|-------------------------|----------------------------|---------------|--------------------|--------------------------------|
| Margaret Adams Scholarship | \$ 9,166 | \$ - | \$ 210 | \$ 657 | \$ (370) | \$ (86) | \$ 9,577 |
| Athletic Scholarship | 223,003 | 19,049 | 5,089 | 16,026 | (6,653) | (2,102) | 254,412 |
| M. Seth Babcock Scholarship | 13,852 | - | 317 | 995 | (560) | (131) | 14,473 |
| Mary Ann (McGregor) Badour Scholarship | 19,542 | 10,209 | 535 | 1,255 | (588) | (207) | 30,746 |
| James & Joy Baker Scholarship | 27,590 | 120 | 634 | 1,979 | (848) | (260) | 29,215 |
| Barstow/Frevel Scholarly Achievement Award | 25,749 | - | 586 | 1,851 | (1,010) | (243) | 26,933 |
| Bay City Central Class of '41 Scholarship | 45,521 | 100 | 1,041 | 3,275 | (1,716) | (430) | 47,791 |
| Elzie & Muriel Beaver Scholarship | 110,666 | - | 2,524 | 7,954 | (4,462) | (1,043) | 115,639 |
| Leonard Bergstein Scholarship | 18,825 | - | 428 | 1,354 | (760) | (177) | 19,670 |
| Darrell R. Berry Scholarship | 19,904 | - | 452 | 1,433 | (805) | (188) | 20,796 |
| Bladecki Scholarship | 8,678 | - | 197 | 625 | (348) | (82) | 9,070 |
| Martin and Emma Block | - | 364,151 | - | - | - | - | 364,151 |
| Peter and Barbra Boyse Program | 13,678 | 2,325 | 342 | 1,020 | (95) | (138) | 17,132 |
| Peter D. Boyse President's Scholar Program | 209,400 | 543,731 | 9,997 | 12,809 | (2,094) | (3,421) | 770,422 |
| Business Division Scholarship | 125,233 | - | 2,857 | 9,000 | (5,058) | (1,181) | 130,851 |
| Carlyon Farmhouse Maintenance | 172,543 | - | 3,939 | 12,396 | (5,609) | (1,626) | 181,643 |
| Donald & Betty Carlyon Scholarship | 80,785 | 2,548 | 1,882 | 5,860 | (2,965) | (773) | 87,337 |
| Donald & Betty Carlyon Endowed Teaching Chair | 160,668 | 1,323 | 3,665 | 11,547 | (6,323) | (1,515) | 169,365 |
| DeeMona Chatman Scholarship | 16,232 | - | 369 | 1,168 | (467) | (153) | 17,149 |
| William R Collings Award of Excellence | - | 30,000 | 261 | (438) | - | (67) | 29,756 |
| Lynn Conway Athletic Scholarship | 14,597 | 100 | 336 | 1,046 | (530) | (138) | 15,411 |
| Gilbert E. Currie Estate Student Loans | 263,916 | - | 6,021 | 18,965 | (10,672) | (2,488) | 275,742 |
| Delta Deltah's Scholarship | 4,979 | - | 115 | 356 | (201) | (47) | 5,202 |
| Delta College Employee-Sponsored Scholarship | 96,703 | 280 | 2,206 | 6,950 | (3,840) | (912) | 101,387 |
| Delta College Planetarium Fund | 419,267 | 5,835 | 9,680 | 30,353 | (14,504) | (3,990) | 446,641 |
| Robert DeVinney Endowed Teaching Chair | 109,749 | 150 | 2,506 | 7,884 | (3,818) | (1,035) | 115,436 |
| Dixon Family Scholarship | 49,410 | - | 1,127 | 3,551 | (1,488) | (466) | 52,134 |
| Herbert Doan Scholarship | 7,717 | - | 176 | 555 | (312) | (73) | 8,063 |
| Margery Knepp Dodson Mitchell Scholarship | 16,248 | - | 369 | 1,169 | (645) | (153) | 16,988 |
| Frances Dolinski Scholarship | 18,241 | 20 | 416 | 1,312 | (669) | (172) | 19,148 |
| Henry Dolinski Scholarship | 17,557 | 2,520 | 439 | 1,315 | (478) | (177) | 21,176 |
| Doll & Drury Scholarship | 34,126 | 50 | 779 | 2,454 | (1,354) | (322) | 35,733 |
| Dow Chemical Company Science Student Award | - | 20,000 | - | - | - | - | 20,000 |
| Herbert H. & Barbara C. Dow Fund | 36,772 | - | 838 | 2,644 | (1,487) | (347) | 38,420 |
| Jerry & Terry Drake Scholarship & Broadcasting | 111,716 | 58,690 | 2,834 | 8,432 | (2,487) | (1,140) | 178,045 |
| Draper Family Scholarship | 12,934 | - | 294 | 930 | (523) | (122) | 13,513 |
| Gene R. Duckworth Scholarship | 25,802 | - | 589 | 1,853 | (1,043) | (243) | 26,958 |
| Fred Dulmage Award | 13,029 | - | 297 | 937 | (527) | (123) | 13,613 |
| Eldon Enger & Fred Ross Scholarship | 16,273 | 170 | 374 | 1,172 | (631) | (154) | 17,204 |
| James E. & Leanne Lutz Erickson Scholarship | 16,679 | - | 382 | 1,196 | (621) | (157) | 17,479 |
| Faculty Executive Committee Award | 4,343 | - | 99 | 312 | (176) | (41) | 4,537 |
| Arthur J. & Bette L. Fisher Scholarship | 201,308 | - | 4,593 | 14,466 | (5,118) | (1,898) | 213,351 |
| Dr. John & Joanne Fuller Scholarship | 20,185 | - | 461 | 1,450 | (745) | (190) | 21,161 |
| Gerace Construction Scholarship | 103,910 | - | 2,371 | 7,467 | (3,877) | (980) | 108,891 |
| Gerity Broadcasting Company Scholarship | 91,868 | - | 2,096 | 6,602 | (3,715) | (866) | 95,985 |
| Gerstacker Faculty Recognition Award | 22,671 | - | 517 | 1,629 | (853) | (214) | 23,750 |
| Global Education Program and Scholarship | 32,317 | - | 735 | 2,325 | (1,305) | (305) | 33,767 |
| Robert M. Gohlke Scholarship | 27,492 | - | 627 | 1,975 | (1,110) | (259) | 28,725 |
| Russell B. & Grace H. Green Scholarship | 33,628 | - | 767 | 2,417 | (1,261) | (317) | 35,234 |
| Priscilla Bogi Guritza Memorial Scholarship | 21,419 | - | 487 | 1,541 | (866) | (202) | 22,379 |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF DELTA COLLEGE ENDOWMENT FUND - Continued
DELTA COLLEGE
Year Ended June 30, 2006

| | NET ASSETS JULY 1, 2005 | GIFTS | INTEREST & DIVIDENDS | NET GAIN ON INVESTMENTS | DISTRIBUTIONS | INVESTMENT FEES | NET ASSETS JUNE 30, 2006 |
|--|-------------------------------|--------|-------------------------|----------------------------|---------------|--------------------|--------------------------------|
| ENDOWMENT FUNDS - Continued | | | | | | | |
| Beki Gray Hadley Scholarship | \$ 32,856 | \$ 375 | \$ 753 | \$ 2,356 | \$ (1,317) | \$ (311) | \$ 34,712 |
| Sarah Hansen Scholarship | 8,460 | 200 | 195 | 605 | (337) | (80) | 9,043 |
| Harry Hawkins Scholarship | 14,469 | - | 329 | 1,040 | (551) | (136) | 15,151 |
| Hilde & Walter Heyman Scholarship | 15,409 | - | 353 | 1,106 | (585) | (145) | 16,138 |
| Ada E. Hobbs Scholarship | 10,889 | - | 247 | 785 | (440) | (103) | 11,378 |
| Home Builders Association of Bay, Midland & Saginaw Counties | 16,445 | - | 374 | 1,183 | (559) | (155) | 17,288 |
| Honors Student Scholarship | 72,413 | - | 1,652 | 5,204 | (2,985) | (683) | 75,601 |
| James R. & Anita H. Jenkins Family Scholarship | 23,625 | - | 539 | 1,698 | (803) | (223) | 24,836 |
| Phyllis E. Jones Memorial Scholarship | 16,409 | - | 375 | 1,179 | (618) | (155) | 17,190 |
| S. Preston & Dr. Betty B. Jones Scholarship | 52,286 | 6,204 | 1,283 | 3,883 | (1,375) | (520) | 61,761 |
| Dan E. Karn Memorial Scholarship | 3,695 | - | 84 | 266 | (149) | (35) | 3,861 |
| Kaufmann Family Scholarship | 15,508 | - | 354 | 1,114 | (577) | (146) | 16,253 |
| Robert F Keicher Memorial Scholarship | - | 17,137 | 253 | 341 | - | (77) | 17,654 |
| Dale & Alma Keyser Scholarship | 17,503 | 1,000 | 408 | 1,243 | (608) | (167) | 19,379 |
| Walter J. & Sophia M. Kilar Scholarship | 20,987 | - | 477 | 1,510 | (849) | (198) | 21,927 |
| International Order of King's Daughters & Sons Scholarship | 24,162 | - | 550 | 1,737 | (977) | (228) | 25,244 |
| Oscar W. Kloha Scholarship | 34,980 | - | 798 | 2,514 | (1,414) | (330) | 36,548 |
| Robert I. & Marjorie H. Knepp Scholarship | 67,960 | 10,593 | 1,643 | 4,728 | (1,861) | (664) | 82,399 |
| W.R. & Edith Knepp Scholarship | 197,700 | - | 4,511 | 14,206 | (7,994) | (1,864) | 206,559 |
| W.R. Knepp, Jr. Scholarship | 149,634 | - | 3,413 | 10,755 | (6,051) | (1,411) | 156,340 |
| Daniel P. Kubiak Scholarship | 16,344 | - | 371 | 1,177 | (606) | (154) | 17,132 |
| Gary Laatsch Scholarship | 31,448 | 100 | 717 | 2,260 | (1,266) | (296) | 32,963 |
| Jack LaBreck Scholarship | 5,386 | - | 124 | 386 | (218) | (51) | 5,627 |
| Dr. Thomas H. Lane & Janis E Landry-Lane Scholarship | 19,053 | 5,500 | 494 | 1,387 | (574) | (197) | 25,663 |
| Thomas & Rose Mary Laur Scholarship | 29,835 | - | 681 | 2,143 | (1,124) | (281) | 31,254 |
| Leo & Evelyn Levy Scholarship | 16,354 | - | 373 | 1,175 | (613) | (154) | 17,135 |
| Edward & Kathleen Lunt Scholarship | 47,291 | 32,541 | 1,541 | 3,756 | (1,210) | (586) | 83,333 |
| Thomas & Brenda Mahar Scholarship | 19,972 | - | 456 | 1,435 | (714) | (188) | 20,961 |
| Margaret McAlear Scholarship | 29,699 | - | 677 | 2,135 | (843) | (280) | 31,388 |
| James McIntyre Allied Health Sciences Award | - | 15,000 | 308 | 616 | - | (101) | 15,823 |
| Aceie & Thelma Micho Scholarship | 30,477 | - | 696 | 2,190 | (605) | (287) | 32,471 |
| Rhea Miller Scholarship | 36,289 | - | 826 | 2,610 | (1,377) | (342) | 38,006 |
| Richard & Gloria Miller Scholarship | 17,348 | 250 | 398 | 1,242 | (638) | (164) | 18,436 |
| Monitor Sugar Scholarship | 15,508 | - | 355 | 1,113 | (577) | (146) | 16,253 |
| Morley Foundation Award | 22,527 | - | 513 | 1,618 | (911) | (212) | 23,535 |
| Wendell & Ethel Mullison Scholarship | 21,880 | - | 499 | 1,573 | (885) | (206) | 22,861 |
| William H. "Buddy" Oates Scholarship | 26,466 | - | 605 | 1,900 | (1,070) | (249) | 27,652 |
| Louise H. Osthelder Scholarship | 76,355 | - | 1,742 | 5,487 | (3,088) | (720) | 79,776 |
| Jesse J. Oswald Scholarship | 16,473 | 1,000 | 390 | 1,206 | (636) | (160) | 18,273 |
| Otto C. Pressprich Fund | 91,868 | - | 2,096 | 6,602 | (3,715) | (866) | 95,985 |
| Cecelia Randall Scholarship | 18,974 | - | 433 | 1,363 | (768) | (179) | 19,823 |
| Skip Renker Creative Writing Award | 14,904 | 240 | 344 | 1,072 | (476) | (141) | 15,943 |
| Renee Rookard Scholarship | 62,044 | 260 | 1,418 | 4,461 | (2,288) | (586) | 65,309 |
| Harold & Norine Rupp Scholarship | 15,341 | - | 350 | 1,103 | (609) | (145) | 16,040 |
| Saginaw County Child Development Centers Program | 12,998 | - | 299 | 932 | (487) | (123) | 13,619 |
| Saginaw Valley Manufacturing Technology Scholarship | 28,886 | - | 659 | 2,075 | (1,070) | (272) | 30,278 |
| Cliff & Grace Saladine Scholarship | 22,942 | - | 524 | 1,647 | (927) | (216) | 23,970 |
| Gene F Shrum and Dee Dee (Shrum) Wacksman Scholarship | - | 15,000 | - | - | - | - | 15,000 |
| Van Dewitt & Ruth Simmons Scholarship | 143,614 | - | 3,274 | 10,323 | (5,803) | (1,354) | 150,054 |
| John M. Smith & William Wolgast Family Softball Scholarship | 17,341 | - | 397 | 1,245 | (674) | (163) | 18,146 |
| Paul Sowatsky Scholarship/Award | 24,734 | - | 563 | 1,778 | (1,000) | (233) | 25,842 |

SUPPLEMENTAL SCHEDULE OF OTHER FINANCIAL INFORMATION
DETAILS OF DELTA COLLEGE ENDOWMENT FUND - Continued
DELTA COLLEGE
Year Ended June 30, 2006

| | NET ASSETS JULY 1, 2005 | GIFTS | INTEREST & DIVIDENDS | NET GAIN ON INVESTMENTS | DISTRIBUTIONS | INVESTMENT FEES | NET ASSETS JUNE 30, 2006 |
|---|-------------------------------|---------------------|-------------------------|----------------------------|---------------------|--------------------|--------------------------------|
| ENDOWMENT FUNDS - Continued | | | | | | | |
| James Stark Scholarship | \$ 3,130 | \$ - | \$ 71 | \$ 226 | \$ (127) | \$ (30) | \$ 3,270 |
| Eileen & Hugh Starks Scholarship | 20,358 | 1,000 | 474 | 1,447 | (733) | (194) | 22,352 |
| Sturm Family Broadcast Programming Fund | 150,366 | - | 3,429 | 10,807 | (6,081) | (1,417) | 157,104 |
| Sungard COLLEGIS Endowed Teaching Chair | 102,605 | 10,000 | 2,340 | 7,373 | (2,944) | (967) | 118,407 |
| Paul & Margaret Thompson Scholarship | 25,793 | - | 591 | 1,851 | (966) | (243) | 27,026 |
| Margaret Timm English Award | 15,186 | 5,000 | 346 | 1,092 | (302) | (143) | 21,179 |
| Ken & "Miss Mona" White Scholarship | 16,825 | 1,175 | 386 | 1,212 | (657) | (159) | 18,782 |
| Lola Bishop Whitney Award | 95,551 | 1,890 | 2,197 | 6,898 | (3,860) | (906) | 101,770 |
| Alice & Jack Wirt Scholarship | 172,933 | 5,000 | 3,990 | 12,353 | (6,357) | (1,641) | 186,278 |
| Teresa Plackowski-Witucki Scholarship | 15,496 | - | 354 | 1,113 | (617) | (146) | 16,200 |
| Wolverine Bank Scholarship | 29,982 | - | 684 | 2,155 | (1,133) | (283) | 31,405 |
| Alton, Sr., Alma & Alton, Jr. Zucker Scholarship | 68,674 | - | 1,567 | 4,934 | (2,777) | (647) | 71,751 |
| Melvin & Hilda Zuehlke Scholarship and Special Needs | 113,024 | - | 2,579 | 8,122 | (4,474) | (1,065) | 118,186 |
| TOTAL ENDOWMENT FUNDS | 5,703,555 | 1,190,836 | 137,578 | 409,070 | (201,437) | (55,878) | 7,183,724 |
| FUNDS FUNCTIONING AS ENDOWMENTS | | | | | | | |
| Peter and Barbra Boyse Program | 103,868 | - | 2,370 | 7,463 | (4,143) | (979) | 108,579 |
| Coca-Cola Exclusive Agreement Scholarship | 49,990 | - | 1,139 | 3,593 | (1,845) | (471) | 52,406 |
| Delta College Public Radio Fund | 46,642 | - | 1,064 | 3,352 | (1,765) | (440) | 48,853 |
| Delta College Foundation Fund | 843,079 | - | 19,235 | 60,584 | (33,549) | (7,947) | 881,402 |
| Delta College Foundation Student Scholarships | 111,858 | 315 | 2,555 | 8,037 | (3,916) | (1,055) | 117,794 |
| Delta College Endowed Teaching Chair Challenge Grant Fund | 77,873 | - | 1,777 | 5,595 | - | (734) | 84,511 |
| Delta College Public TV Fund | - | 7,278 | - | - | - | - | 7,278 |
| Alden B. Dow Fund | 43,781 | - | 999 | 3,146 | (1,770) | (413) | 45,743 |
| Laughner Award | 9,348 | - | 213 | 672 | (378) | (88) | 9,767 |
| Possible Dream Program | 648,057 | 82,500 | 15,505 | 45,363 | (20,140) | (6,293) | 764,992 |
| Sailing School Program | 22,793 | - | 521 | 1,637 | (873) | (215) | 23,863 |
| UNUM Projects | 300,887 | - | 6,869 | 21,621 | (12,167) | (2,836) | 314,374 |
| Macaulay & Helen Whiting Fund | 681,164 | - | 15,539 | 48,951 | (26,103) | (6,421) | 713,130 |
| TOTAL FUNDS FUNCTIONING AS ENDOWMENTS | 2,939,340 | 90,093 | 67,786 | 210,014 | (106,649) | (27,892) | 3,172,692 |
| TOTAL | \$ 8,642,895 | \$ 1,280,929 | \$ 205,364 | \$ 619,084 | \$ (308,086) | \$ (83,770) | \$ 10,356,416 |